

NOMINATIONS BEFORE THE SENATE ARMED SERVICES COMMITTEE, FIRST SESSION, 100TH CONGRESS

HEARINGS BEFORE THE COMMITTEE ON ARMED SERVICES UNITED STATES SENATE

ONE HUNDREDTH CONGRESS

FIRST SESSION

ON

NOMINATIONS OF

ROBERT T. HERRES (JANUARY 28); ROBERT B. COSTELLO (FEBRUARY 25);
JAMES H. WEBB (APRIL 6); JOHN R. GALVIN (MAY 20); CARL E.
VUONO (JUNE 10); ALFRED GRAY, JR. (JUNE 24); H. LAWRENCE GAR-
RETT III (AUGUST 4); ADM. WILLIAM J. CROWE, JR. (SEPTEMBER 29);
JOHN J. WELCH, JR. (OCTOBER 9); KATHLEEN A. BUCK (OCTOBER 9);
JUNE GIBBS BROWN (OCTOBER 14); STEPHEN M. DUNCAN (OCTOBER
16); FRANK C. CARLUCCI (NOVEMBER 12); ROBERT B. COSTELLO (NO-
VEMBER 19); SAMUEL KENRIC LESSEY, JR. (NOVEMBER 24); ROBERT
W. PAGE, SR. (DECEMBER 1); KENNETH P. BERGQUIST (DECEMBER 10);
ROBERT C. DUNCAN (DECEMBER 11); LT. GEN. COLIN POWELL (DECEM-
BER 15); THOMAS F. FAUGHT (DECEMBER 18)

JANUARY 28; FEBRUARY 25; APRIL 6; MAY 20; JUNE 10, 24; AUGUST 4;
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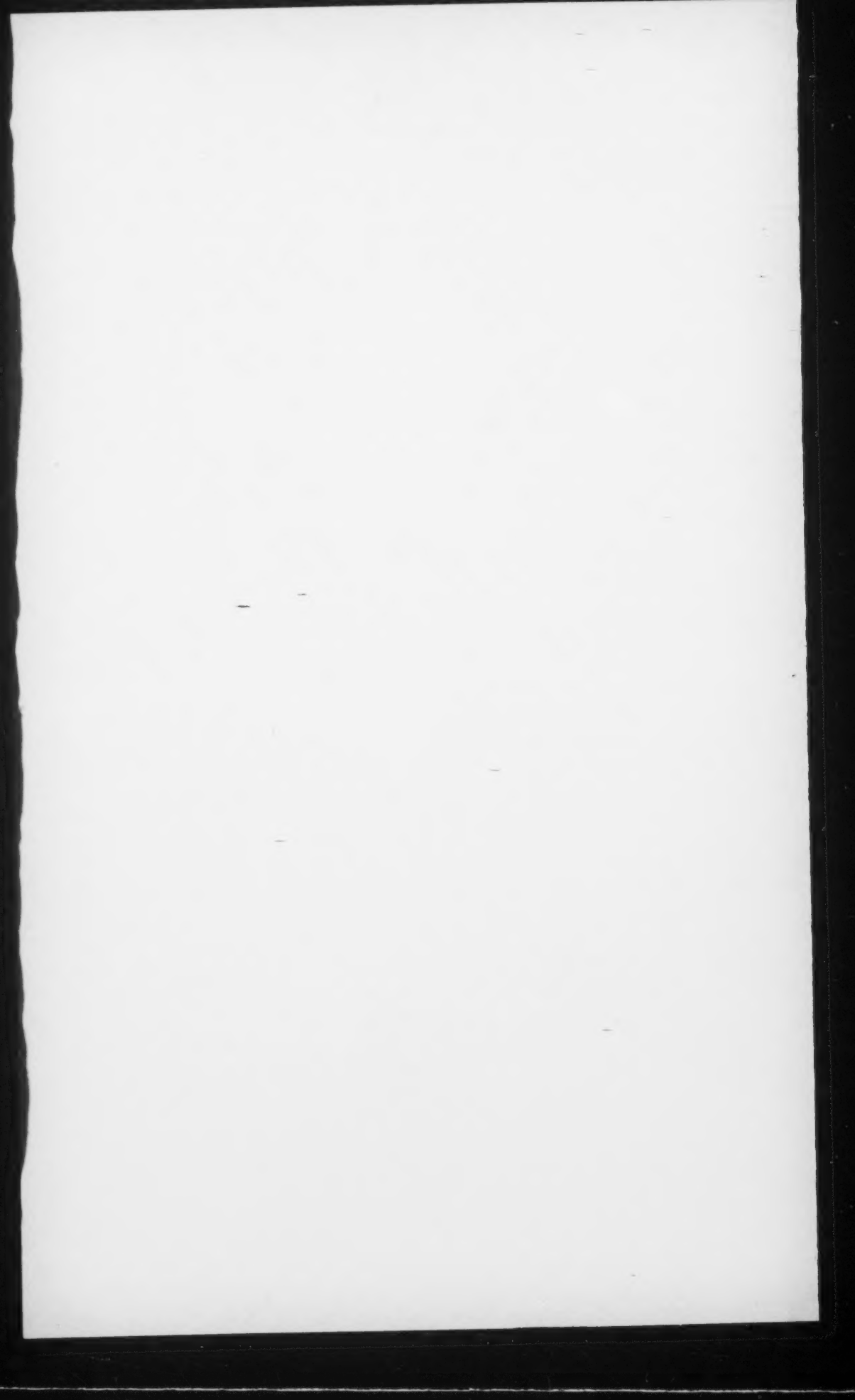
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**NOMINATION OF GEN. ROBERT T. HERRES, USAF, TO
SERVE AS VICE CHAIRMAN, JOINT CHIEFS OF STAFF**

WEDNESDAY, JANUARY 28, 1987

**U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
*Washington, DC.***

The committee met, in open session, pursuant to notice, at 2:08 p.m., in room SR-222 Russell Senate Office Building, Senator Sam Nunn (chairman) presiding.

Present: Senators Nunn, Exon, Dixon, Gore, Warner, Gramm, and McCain.

Staff present: Arnold L. Punaro, staff director; Carl M. Smith, staff director for the minority; Romie L. Brownlee, deputy minority staff director; Patrick A. Tucker, minority counsel; Christine C. Dauth, chief clerk; Robert G. Bell, Richard D. Finn, Jr., William E. Hoehn, Jr., George K. Johnson, Jr., James R. Locher III, David S. Lyles, and Mark B. Robinson, professional staff members; Richelle M. Turner, staff assistant.

Also present: Jeffrey B. Subko, assistant to Senator Exon; Charles C. Smith, assistant to Senator Dixon; Milton D. Beach, assistant to Senator Glenn; Henry D. Sokolski, assistant to Senator Quayle; Mark J. Albrecht, assistant to Senator Wilson; and Alan Ptak, assistant to Senator Gramm.

OPENING STATEMENT BY SENATOR SAM NUNN, CHAIRMAN

Chairman NUNN. The hearing will come to order. The committee meets this afternoon to begin consideration of the nomination of General Herres of the United States Air Force to serve as Vice Chairman of the Joint Chiefs of Staff.

General, we welcome you here today. This is a very important position, and we are delighted that you are here with us and that we are going to implement the reorganization legislation in this important respect.

The committee will have a number of questions for you. I am sure that the creation of the position of Vice Chairman of the Joint Chiefs was one of the most important provisions of the Goldwater-Nichols Department of Defense Reorganization Act of 1986.

The Congress established high standards of performance, experience and expertise for an officer to serve as Vice Chairman of the Joint Chiefs of Staff, and certainly we will want to get into your background and so forth and the kind of joint experience you bring to this important position.

This afternoon's hearing is historic because the committee has before it the nomination of an officer to serve in a new and critical position, designated as the second most senior position in the United States military. And believe me, General, we quarreled about that one for a long time, so there is a lot of history behind that, as Senator Warner and everybody who was involved will attest.

On May 7 of last year when this committee presented its defense reorganization bill to the Senate, Senator Goldwater made an important statement which is worth repeating today. He said, and I quote him: "By far the most critical problem in the Department of Defense, Mr. President, is the imbalance between service and joint interests. Although we have long understood the need for effective unity of effort by all Armed Forces the Army, Navy, Air Force and Marine Corps have retained a degree of independence that has continually frustrated such coordination. As a special study group commissioned in 1982 by the Chairman of the Joint Chiefs, reported" and this is Goldwater quoting from that study: "A certain amount of service independence is healthy and desirable, but the balance now favors the parochial interests of the services too much and the larger needs of the Nation's defense too little."

Continuing quoting Senator Goldwater: "This statement, Mr. President, is absolutely correct. The three military departments and four services exercise power and influence which are out of proportion to their statutory duties. Planning is not completely unified, and combatant commands are not singly led and prepared to fight as one, regardless of service. This fundamental problem in the balance of organizational power underlies the major deficiencies that have persisted during the last 45 years."

The Vice Chairman of the Joint Chiefs of Staff will play a critical role in helping to establish a more appropriate balance between joint and service power and influence. Key among the Vice Chairman's responsibilities will be assisting the Chairman in carrying out his many joint duties and providing improved emphasis to joint perspectives in defense decision making and management.

General Herres, I trust that you fully understand the enormous responsibilities that will be placed on you when you are confirmed in this job and the great expectations that the Congress and, I am sure, the executive branch officials and the present Secretary of Defense have in terms of your ability and your responsibility.

Senator Warner.

Senator WARNER. Mr. Chairman, I have known the nominee for some time and he has my support. At the appropriate time I will ask questions.

[The prepared statement of Senator Dixon follows:]

PREPARED STATEMENT BY SENATOR ALAN J. DIXON

Mr. Chairman, we are here today to consider and act on the nomination of Gen. Robert T. Herres, USAF to serve as the Vice Chairman of the Joint Chiefs of Staff.

The position of Vice Chairman of the Joint Chiefs of Staff was created by Congress last year after much discussion of the defense reorganization bill. You and our former chairman Senator Goldwater argued very hard for this position and I supported both of you in creating the position.

General Herres has served in many positions during his Air Force career to include his present position, as commander in chief of the North American Aerospace

Defense Command and the U.S. Space Command, which I feel makes him a perfect candidate to be the first Vice Chairman of the Joint Chiefs of Staff. General Herres has indicated that as the Vice Chairman of the JCS he will insist on close scrutiny of Pentagon programs in their initial phases before these programs get out of hand. This statement by General Herres is applauded by this Senator and I wish him well in his new assignment.

Thank you, Mr. Chairman.

Chairman NUNN. General, would you like to make a statement, and then we will have a few questions for you. We may get called over to the floor on a vote in the near future, but why don't you give us any statement that you would like to make.

[The nomination reference of Gen. Robert T. Herres follows:]

NOMINATION REFERENCE

AS IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
January 12, 1987.

Ordered, that the following nomination be referred to the Committee on Armed Services:

The following named officer under the provisions of Title 10, United States Code, Section 154, to be Vice Chairman, Joint Chiefs of Staff:

To be Vice Chairman, Joint Chiefs of Staff

Gen. Robert T. Herres, United States Air Force.

[The biographical sketch of Gen. Robert T. Herres, which was transmitted to the committee at the time the nomination was referred, follows:]

BIOGRAPHICAL SKETCH OF GEN. ROBERT T. HERRES, U.S. AIR FORCE

General Robert T. Herres is Commander in Chief, North American Aerospace Defense Command, and the United States Space Command, headquartered at Peterson Air Force Base, Colo.

General Herres was born Dec. 1, 1932, in Denver where he attended East High School. He graduated from the U.S. Naval Academy at Annapolis, Md., in 1954, holds master's degrees in Electrical Engineering and Public Administration from the Air Force Institute of Technology and the George Washington University, and has been awarded an honorary Doctor of Engineering degree from the Rose-Hulman Institute of Technology. He is also a graduate of the Air Command and Staff College and the Industrial College of the Armed Forces.

General Herres began his flying career in fighter-interceptors, was graduated from the Aerospace Research Pilot School, served as chief of the Flight Crew Division with the Manned Orbiting Laboratory Program, and later moved into bomber and aerial refueling aircraft operations in the Strategic Air Command. General Herres has also performed duties as an intelligence analyst, in system development and acquisition, and in communications operations; has commanded a B-52 bomb wing, an air refueling wing, the Air Force Communications Command and Strategic Air Command's Eighth Air Force. As Commander of the Air Force Communications Command, he was responsible for the development, installation and worldwide operation of all Air Force communications, ground radars and air traffic control services. As Commander of the Eighth Air Force, General Herres commanded a significant portion of our Nation's nuclear deterrent—to include B-52s, FB-111s, aerial refueling tanker aircraft, and Minuteman and Titan missiles. Prior to assuming his present duties, he served as Director for Command, Control and Communications Systems in the Office of the Joint Chiefs of Staff.

General Herres now serves as Commander in Chief of the bi-national North American Aerospace Defense Command and as the first Commander in Chief of the United States Space Command. In these capacities, he is responsible for the aerospace defense of North America, and for ensuring that military space systems adequately support national command authorities and U.S. forces worldwide.

General Herres is a command pilot, and is qualified for the senior missile, air traffic controller and space badges.

His military decorations and awards include the Defense Distinguished Service Medal, Distinguished Service Medal and Legion of Merit.

General Herres is married to the former Shirley Jean Sneckner of San Antonio, Texas. They have three children: Julie, Michael and Jennifer.

STATEMENT OF GEN. ROBERT T. HERRES, U.S. AIR FORCE, NOMINATED TO SERVE AS VICE CHAIRMAN, JOINT CHIEFS OF STAFF

General HERRES. Thank you, Mr. Chairman.

I would like to say a few words. In anticipation of your interests, I have prepared some preliminary remarks to offer in lieu of a formal statement.

While I view the new position of Vice Chairman of the Joint Chiefs of Staff created by the Goldwater-Nichols Act as an important position, it is a position I would not have actively sought. I say this for two reasons.

First and most important is that my duties as Commander in Chief of North American Aerospace Command and Commander in Chief of the United States Space Command occupy my full attention and interest. I was honored to have been given the responsibility to bring into existence the new Unified Space Command. I was also gratified to be able to serve our binational North American Alliance with Canada as the Commander in Chief of NORAD. My expectation was, of course, that I would continue to serve in these roles until such time as I left active service, and I had in mind a very full and important agenda for the remaining 2½ years before my mandatory retirement.

The second reason is that I harbor no illusions whatsoever about the challenging difficulties of discharging the duties the first Vice Chairman will entail. The new law represents a change in the way our country organizes its senior military leadership. While some see such change as promoting growth or improvement, there are always others who tend to see it merely as creating turbulence or trauma.

However this new post is viewed, it must be seen as a formidable challenge, and I think you have already emphasized that very well, Mr. Chairman. Nonetheless, I consider creation of the Vice Chairman position as a necessary and important step in the evolution of our defense structure with the changing times, and I am deeply honored to have been nominated to you for that office. I expect that you might be interested in knowing why I feel this position is so important.

All of my military experience—particularly the time I have spent on the Air Staff and the Joint Staff, as well as the time as Commander in Chief—has led me to conclude that the Chairman of the Joint Chiefs of Staff needs help. I testified to this belief before the Nichols subcommittee last year. Among other things, the Chairman is responsible for advising the Secretary and the President on a broad range of military activities, as you all know very well, from requirements definition and development all the way to deployment of military forces.

In the past few years, it seems to me it has become increasingly difficult, if not impossible, for the Chairman to discharge his diverse responsibilities by himself. The new law not only expands the responsibility of the Chairman and his opportunities to influence

defense policy and decisions, but it also helps him discharge those increasing obligations in two significant ways.

First, it makes the Joint Staff subordinate to the single direction of the Chairman. This provides him with his own staff and the authority to direct that staff.

Second, the law creates the position of the Vice Chairman to function as a helper, an alter ego of sorts, and a senior person with sufficient stature that the presence of the Chairman's office can be helped through representation and participation in many forms that cannot be reached by him in person.

While quite specific in some instances, the new law wisely provides flexibility regarding the specific roles and responsibilities of the Vice Chairman. I think to have specified otherwise would have been to erode the authority of the Chairman and limit his capacity to adapt roles to the combined strengths and experiences of the Chairman and his Vice. Each of us, I suspect, will bring different combinations of the various necessary ingredients to the office and there will be different approaches with each combination that can make it possible for them to be complementary.

Thus, aside from the specific responsibility as a stand-in for the Chairman in his absence, my principal role should be, I believe, to help the Chairman simply by picking up the reins where he judges my services will be the most helpful. If I can do that well, there is no doubt in my mind that the purposes for creating this position in the law will have been well-served; that is, a greater facility for jointness in the operational employment of our military forces will be achieved.

While all of this takes place, the role of the Joint Chiefs of Staff continues, in my view, to bear an importance that must not diminish or suffer emasculation. Among the many key roles they play in the corporate body, each of the Chiefs constitutes a unique link between the force structuring and resource management chain of command of his service department and the Secretary's operational chain to the combatant commanders of the unified and specified commands. That, too, is a process that begs facilitation and is certainly recognized as an important role for the Chairman; the presence of a Vice Chairman and the continuity he can provide should catalyze that process.

Again, I consider myself singularly honored to come before you as the President's first nominee for this unique role. I expect that as my duties begin to jell, somewhere among them will occur opportunities to appear before you on behalf of the Chairman to deal with issues of interest. I look forward to working with you as we collectively strive to provide the force structure and the operational capabilities that are the basic ingredients of our nation's security in this turbulent world.

I am now prepared to address your questions, Mr. Chairman.

Chairman NUNN. Thank you very much. I think your statement captured the intent of the legislation, as far as your job is concerned, very well.

General, Title 10 requires that the officer appointed as Vice Chairman of the Joint Chiefs of Staff, specifically the Vice Chairman, must have the joint specialty and must have served in at least one joint assignment as a general or flag officer.

Could you give us a rundown of your joint experience?

General HERRES. Well, my very first job was as a young captain in the U.S. European Command, but that was a long time ago and I am not sure that qualifies under the intent of the law.

My job before becoming the Commander in Chief in Colorado Springs was Director of Command, Control and Communications Systems in the Organization of the Joint Chiefs of Staff, so I did serve the Joint Staff for about 20 months before going to Colorado Springs. And, of course, I have been wearing a purple suit in Colorado Springs as Commander in Chief of NORAD and then with the formation of the U.S. Space Command, as Commander in Chief of the Unified Command, so altogether I guess that is nearly 5 years.

Chairman NUNN. So the President did not have to exercise his authority to waive this requirement.

General HERRES. No, sir.

Chairman NUNN. You mentioned that one of your main functions, in addition to presiding, of course, when the Chairman is out of town or unavailable, is to perform the duties assigned to you by the Chairman. And that was our intent, to leave it very flexible.

Have you and Admiral Crowe had a chance to talk and do you have any idea at this stage what your duties will be?

General HERRES. There are a number of things that I think are beginning to form in Admiral Crowe's mind. We have not had an opportunity to discuss them specifically. Although I have seen them written down, we have not had an opportunity to discuss what he might want to say to amplify his thoughts on the matter.

But one of the key roles, I am sure, will be involvement with what is now the Joint Requirements and Management Board, formerly the DSARC, which I guess—the whole structure—is being looked at again, or at least its titles. But that forum in the OSD requires representation from the Chairman and I understand that one of the roles that I will play will be to represent the Chairman in that forum.

There is another body I am sure you are familiar with, which was originally called the Joint Requirements and Management Board, and now is the Joint Requirements Oversight Council.

There has been participation by the Joint Staff in that forum. It came about because of a recommendation that was made by the Defense Science Board several years ago. I happened to be on the Joint Staff at the time. It is a group comprised of the Joint Chiefs of Staff, and previously the Joint Staff has been represented by its Director, and the chairmanship rotated.

I understand that now the approach will be to have the Vice Chairman chair that group. It could be, I think, a fairly significant activity and, in fact, is what the Defense Science Board hoped for when it made its recommendations.

I think it is possible, as I mentioned to the Nichols subcommittee last year, that the establishment of a Vice Chairman's position can facilitate that process.

I think there will be a role in the oversight of the defense agencies. I kind of interpret the law to suggest that there should be some of that. Now, obviously, some of the defense agencies are supervised not by the joint side of the DOD or by the military side, but by the OSD. There will probably be a role to play there.

I am sure that the professional military education program—the joint professional military education program will demand some of my attention as well.

Chairman NUNN. I assume you are going to have a great deal of flexibility, in that there will be from time to time a lot of ad hoc assignments, will there not?

General HERRES. I would think so. Yes, sir. And, as I say, I have not talked over any of these duties specifically with the Chairman. We were kind of waiting till I got to town. I have plenty to do wrapping things up in Colorado Springs. To be very honest with you, I have been concentrating on that.

Chairman NUNN. I guess most top officers in the whole military structure have Vice Chiefs, do they not? Doesn't the Air Force have a Vice Chief?

General HERRES. Yes, sir. Each of the service Chiefs has a Vice.

Chairman NUNN. If you are going to be able to adequately preside over the Chiefs when the Chairman is unavailable, out of town, out of communication, so forth, does not that at least imply that you are going to have to be able to step into his shoes, and, therefore, you are going to have to know an awful lot about what he himself is doing?

General HERRES. Yes, sir. Absolutely.

Chairman NUNN. Would you like to describe the role of a Vice Chief normally, and how it operates in that respect?

General HERRES. Well, I think it varies a little bit from job to job, because others that I might compare this job with are not quite so specific. I think in that context, the law is very specific about how the Chairman will act or the Vice Chairman will act in behalf of the Chairman.

For example, I have a Deputy Commander in Chief on the NORAD staff and a Deputy Commander in Chief on my U.S. Space Command staff. Each assumes command when I am unable to carry out the command responsibilities. The role that each plays in the development of policy and command positions on issues, varies somewhat, and I think that changes with personalities, with individual commanders and the personalities of the individuals involved.

A Deputy's position is one that lies squarely in the chain of command in a field organization, so that contact with the staff normally takes place through the Deputy and all correspondence and all issues go through the Deputy to the Commander in Chief.

Such will probably not be the case here. However, I think it will be incumbent upon me to stay abreast of the issues so that in fact, as you say, I will be able to stand in for the Chairman in his absence.

The important thing in that regard—and I hope this captures the thrust of your question—is for me to understand the Chairman's views in his position and how the position is developed and the arguments that underpin that position so that I can adequately represent his positions and views in his absence—not only in the forum of the JCS, but also with the Secretary and the OSD and also over here on the Hill.

Chairman NUNN. Thank you.

Senator Warner.

Senator WARNER. Thank you very much, Mr. Chairman.

You would not have any reluctance to exercise your own free judgment, though?

General HERRES. No, sir. I think the important place for me to do that is in the Chairman's office. I do not think I can serve the Chairman well if I become a free-wheeler and a free-thinker outside the context of developing what we think is the appropriate joint position.

Senator WARNER. I share the view that you should certainly acquaint him first and, then to some extent, the relationship with the Secretary of Defense and perhaps the Deputy Secretary should have an unfettered view.

Perhaps you can give us the Chairman's view and give your own view. We carefully wrote into the statute the right for each member of the JCS to express their views, should it be contrary to either the Chairman's or the President's, and that same theme, in my opinion, applies to your position.

One of the more difficult tasks that you will have—and I say that respectfully—is that of donning the purple suit. Although you have had a joint experience before, as you say in your own words, this is likely to be your last assignment on active duty. And, as such, I suppose that might make it a little bit easier.

But what steps are you going to take consciously to develop a truly nonpartisan view toward the other sister services?

General HERRES. I cannot think of any specific steps I would take consciously. I think I have already crossed that threshold, Senator.

Today as I sit before you, I do not wear an Air Force uniform. I am "purple suited" right now. As you recall when you visited Colorado Springs, I was triple-hatted as Commander of Air Force Space Command, as well as the other two commands I mentioned.

But we have now split Air Force Space Command off and I have a separate component commander, and so I am no longer listed on an Air Force manning document. I am on joint manning documents of NORAD and U.S. Space Command, and that was really the time when I crossed the threshold, and that was a conscious decision.

We decided for a number of reasons, one of which was to make the Commander in Chief a purely "purple suited" position. The time had come and we were ready to do that since the new command had been sufficiently organized.

I guess one thing I might point out by way of background is a little bit personal, but it does influence, I guess, how one might think. My brother spent 30 years in the Army as an infantry officer and I went to the Naval Academy, so I have had plenty of exposure to the other services and their activities, notwithstanding my joint experiences.

But I do think I bring to the job as broad a perspective as is reasonable to expect.

Senator WARNER. We wish you luck. I am troubled, however, that you only have 2½ years left, and our preliminary check is that you will have to step down under that retirement law.

General HERRES. No, sir. I think your law changes that now. As I understand it, there are 2-year appointments, and there can be up to 3.

Senator WARNER. That may well be.

General HERRES. But as long as I am of a different service than the Chairman——

Senator WARNER. We will check that.

General HERRES. I think the law supersedes the Air Force policy of 35 years—that is my understanding.

Chairman NUNN. I am glad we have that authority.

Senator Exon.

Senator EXON. I do not have any questions, General. I just think this is an outstanding selection. I wish you well in the new responsibility that you have, that this committee worked long and hard on. They are going to miss you out at NORAD. You are in such a key role out there.

This is a tremendous advancement for you. I wish you well and I hope that anytime that you feel that we can be of help to you over here, while we might not always agree, we agree with the position you are filling; we feel it is a tremendously important one.

Good luck to you.

General HERRES. Thank you very much, Senator.

Chairman NUNN. Just one clarification on one of Senator Warner's questions or comments. It is my understanding that—and I will ask staff to clarify this and put it in the record—that the Vice Chairman is not a member officially of the Joint Chiefs of Staff. He is not a member of the Joint Chiefs of Staff unless he is acting in the stead of the Chairman who is not there.

So that the statutory provision that encourage written dissents would not apply to the Vice Chairman. Now, I emphasize the word "statutory." The Vice Chairman, I am sure, and the Chairman will have a relationship, and the Vice Chairman will develop and evolve in how he voices his own views, and that is a matter that I think you and the Chairman can work out. But I do not think there is a statutory directive to the Vice Chairman, as there is to the other Chiefs, to give that dissenting view.

Senator WARNER. I said in the spirit of the law that he should freely give views to Chief and Secretary of Defense and Deputy, the immediate three persons to whom you report.

General HERRES. I think you can depend on that, sir.

Chairman NUNN. I will ask staff to comment here.

Mr. LOCHER. In the conference when this issue was taken up, it was felt that the Vice Chairman, serving as the deputy to the Chairman, should not have a statutory right to present dissenting views from those of the Chairman in terms of the rights that were given to the other members of the Joint Chiefs of Staff.

As a matter of fact, there was also a debate as to whether the Vice Chairman should be made a member of the Joints Chiefs of Staff.

Chairman NUNN. We talked about that at length at the conference, as I recall. Didn't the House bill have that in there?

Mr. LOCHER. No, sir. It did not.

Chairman NUNN. It did not? Which bill did?

Mr. LOCHER. The Senate bill would have made the Vice Chairman a member of the Joint Chiefs of Staff, so it was something that the conference had to address. The way that was left in conference and in the Act was that the Vice Chairman is not a

member of the Joint Chiefs of Staff and, therefore, he does not have all of the rights that are given to the other members of the Joint Chiefs of Staff to dissent from the Chairman.

Chairman NUNN. Of course, there are an awful lot of people who do not have the statutory right to dissent from the Chairman but do so. So the absence of statutory authority is not always an impediment.

We were silent on that one.

Senator Gramm.

Senator GRAMM. Let me say, General, I appreciate the opportunity to visit with you again. I enjoyed our visit at Cheyenne Mountain.

As it is obvious with all of this debate as to what your real authority is and what your responsibilities are, you have a very difficult job, a job no one has ever held before, a job that was put into the bill because of the belief on the part of Members of this committee and Members of the House that we have the situation where, too much of the time, the Chairman was out of town and that there needed to be a continuity there that did not exist.

We got into a problem in trying to define this continuity because of the difference between a channel of communications and the chain of command. But in any case, I do not know of anybody who would be better qualified for this job than you. I am pleased that you have been chosen.

I support your nomination. I think the fact that you went to the Naval Academy will be very helpful in this job because you will know all the strange language that the people in the Navy use—aye-aye, all these acronyms—and I think that that should serve you well in this effort. And I commend you to this job.

Senator EXON. I might just add that it shows what a good man he is when he got the job in spite of that.

General HERRES. Thank you very much, Senator.

Chairman NUNN. Senator Gore.

Senator GORE. You certainly have my support, General, and you come very highly recommended. Our colleague, Senator Wirth, was saying some very kind things about you just the other day on the record and off the record and I wish you well with your very important new responsibilities.

General HERRES. Thank you very much, Senator.

Senator WARNER. I have now conferred again with counsel, and the earlier opinion given to me was—I will not say incorrect—but your version is the accurate one. In this position, you will not be subjected to the Air Force policy which otherwise would require your retirement in 2½ years.

I think we ought to make it eminently clear that this position is not subject to the policy of any of the services. As such, it comes up against the statutory retirement of 62, thereby giving you at least, I think, roughly 7 years; is that right?

General HERRES. The law says three 2-year terms. It is the same as the Chairman, the same ground rules as the Chairman, which is probably enough to wear anybody out.

Chairman NUNN. Also, like I say, the Vice Chairman is eligible to become the Chairman, too. That adds on how many years?

You may never get out of there.

I think there is a limitation of 8 years of combined service in the two positions.

General, I wanted to ask you two or three other questions. One is we specifically put into law, after again an awful lot of debate, an awful lot of thought, a lot of good arguments on both sides, but we put into the law that the Vice Chairman of the Joint Chiefs of Staff—and I quote—"outranks all other officers of the Armed Forces except the Chairman."

Do you understand the intent of that law?

General HERRES. My intuition tells me that you did it because you felt that when the Vice Chairman chairs the JCS meetings, you felt he should outrank the members of the JCS. That would be my interpretation.

Chairman NUNN. Correct.

How do you expect to relate to the service Chiefs? Is this going to be a matter of an objective analysis, or do you have some subjective feelings you want to share with us?

General HERRES. No. I know them all and have the greatest respect and admiration for each. Of course, I worked with General Wickham and General Kelley when I was on the Joint Staff. I have known General Welch for some time, as I have known Admiral Trost. He was in the class ahead of me at the Naval Academy.

I am sure it will be interesting. I am sure the first meeting after the Chairman is out of town will be interesting. I do think that it was nice that you put into the law that the Vice Chairman would participate in the JCS meetings, and that gives us an opportunity to have some continuity for when the Chairman is not there.

But the Chiefs are not used to having a Vice Chairman. It is going to take some adjustment on the part of all, and I hope I can make that as easy as possible and be effective at the same time, the latter being the higher priority, of course.

Chairman NUNN. I believe he anticipated that question.

General HERRES. No, but I have thought about it a lot, though.

Chairman NUNN. The Chairman has authority to reorganize the Joint Staff. Have you had a chance—I know you have been busy in your present job—have you had a chance to talk to the Chairman about that reorganization and the extent to which he has undertaken that and where it is going?

General HERRES. A little bit. And also the Chairman has explained all of that in letters to all Commanders in Chief. He keeps us posted from time to time on what is going on in the Joint Staff.

It is a big step. Really it is kind of a continuation of an evolution that began several years ago under General Vessey—the establishment of the J-7 and J-8. I know General Vessey was always anxious to find ways to develop other approaches to the development of joint tactics, doctrine and techniques, and also to play a more significant role in the acquisition and the Defense Resources Board proceedings and activities.

You recall that you all authorized several years ago some additional spaces for what was called a SPRAA, and that SPRAA has evolved into one of the directorates under this new setup. I think that arrangement goes a long way toward implementing some of the intent of the new law as well.

It will be interesting. It will be a challenge to glue that all together, too, but I think it will give us better opportunities. Of course, the significance again of the Chairman's capacity not to direct the Joint Staff directly, rather than on behalf of the Joint Chiefs of Staff, adds to the importance of what has been done.

Chairman NUNN. What about the overall power and authority and responsibility of the managing Commanders in Chief in the field, what we call combatant commanders? Have you read the legislation on that and do you have any views on the change from the previous law?

General HERRES. Obviously, as a Commander in Chief, I think the improvements are great. I think the law does what was intended, and as I have explained it to others who have asked me about it, it tends to strike a better balance, in changing times, between the two chains of command, the resource management and force structuring chain of command, and the operational and employment chain of command.

I do think, as I told the Nichols subcommittee last year, it is important to still keep some daylight between those two chains of command, and I think that if you get the CINCs into the resource management and force structuring business, you may blur that daylight a little bit. That could be dangerous, too, because there are some good reasons for having that daylight.

Furthermore, one has to consider that, as has been said before, if you let every commander in chief design his service department component the way he wants it, you will have seven armies and seven navies and seven air forces. And we cannot afford that.

Chairman NUNN. How do you read the law? Do you think there is daylight left under the law?

General HERRES. Yes, sir. I think it is a good balance.

Chairman NUNN. Do you think the proper balance has been struck, at least as far as you see now?

General HERRES. It is too soon to tell. The things that are in the law now have to jell. The concrete has to set around them. And what kind of a job we do in the next 3 to 5 years will probably provide the answer to your question—the unwritten answer to your question. And I accept the challenge to try and help make all that happen, too.

I think you have given us the tools with which to do that. What is now left to happen is the natural evolutionary strengthening. You can feed the other (joint) chain of command, but the muscles have to be formed, and that is the job that lies ahead.

Chairman NUNN. We are having a series of hearings on military strategy and I think almost everybody who has testified, whether they are a part of the military or civilian or whether they are former officials, have concluded that in this administration as well as previous administrations, Republican and Democratic, we have not had as much in the way of strategic thinking as we need. I believe that is a fair summary of what people have said.

Do you have any views about the role of the Chairman and Vice Chairman and the Joint Staff in evolving and updating both military strategy and what we call net assessment?

General HERRES. Of course, there will be a significant role played in the net assessment role. Part of the reorganization is to

strengthen the Joint Staff's capability to play a significant role in the development of net assessments, and I believe we are going to owe you that sometime this year.

I do not think there is any question that what I like to think of as the military staff of the Secretary should play a significant role in the development of defense strategy. It should be a derivative of defense policy and based on objectives for our defense policy.

All of those things have to play together and be harmonized, and I think that with the role of the Joint Staff functioning directly under the Chairman now, and with a Vice Chairman to help provide guidance for that Joint Staff, I think, as I intimated in preliminary prepared remarks, the Chairman can exert more influence on the policy and the decisions that have to be developed.

Of course, one of the tough parts about all that is defining the objectives first because, as I see it, strategy is a means to get to the objectives, and the objectives are sometimes a little more vaguely defined than they need to be to develop a clearly etched strategy. But it will be a big job.

Chairman NUNN. I agree.

One question we require of all of our nominees to give us their answer on—and this comes from the leadership of the Senate—do you agree to appear before this committee or any other committee of Congress and answer all questions put to you by the Congress?

General HERRES. Yes, sir; I do.

Chairman NUNN. General, I think you will do a superb job, and as soon as we can muster up a quorum, we will plan to call for a vote. I think you are well qualified for what I consider to be a very, very important position that has a tremendous amount of responsibility and authority. Your position will have almost as much to do with the success of this Reorganization Act as the Chairman himself.

I say "almost," the Chairman has got a huge responsibility, but yours is going to be a very, very large responsibility, I think all of your background and your experience indicates that you are well qualified for the task.

So we wish you luck and we hope you will stay in close touch. Our committee plans to continue to give oversight over this reorganization. We know it is a long-term process. We are not expecting miracles overnight, but we are going to pay a great deal of heed to what is transpiring and be interested in developments.

Well, let me instruct staff that we will have a meeting between the two votes. We will have a meeting. We have to discuss the other business that we announced we were going to, about the order of recognition, and we will try to get a quorum at that time between the two votes.

Senator Warner suggests that we meet in the office of the President Pro Tempore if we can arrange that. So we will vacate the area and have a quorum. If we do, General, we will try to expedite your nomination.

Senator WARNER. Mr. Chairman, as we close, I think we should all note that this position bears much of your wisdom, the immaturity of that, and we do hope it works.

Chairman NUNN. If it works, I will accept the accolades.

[Whereupon, at 2:45 p.m., the hearing was adjourned.]

[The nomination of Gen. Robert T. Herres was reported to the Senate by the Committee on Armed Services on January 29, 1987, with the recommendation that the nomination be confirmed. The nomination was confirmed by the Senate on January 29, 1987.]

**NOMINATION OF ROBERT B. COSTELLO TO BE ASSISTANT
SECRETARY OF DEFENSE FOR ACQUISITION AND LOGIS-
TICS**

WEDNESDAY, FEBRUARY 25, 1987

**U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.**

The committee met, in open session, pursuant to notice, at 9:30 a.m., in room SR-222, Russell Senate Office Building, Senator Sam Nunn (chairman) presiding.

Present: Senators Nunn, Exon, Levin, Bingaman, Dixon, Shelby, Warner and Quayle.

Staff present: Arnold L. Punaro, staff director; Carl M. Smith, staff director for the minority; Jeffrey H. Smith, general counsel; Patrick A. Tucker, minority counsel; Andrew S. Effron, counsel; Jonathan L. Etherton, John J. Hamre, George K. Johnson, Jr., Kent Bankus, James R. Locher III, and David S. Lyles, professional staff members; Pamela G. Powell, staff assistant.

Also present: Jeffrey B. Subko, assistant to Senator Exon; Peter Levine, assistant to Senator Levin; Edward M. McGaffigan, Jr., assistant to Senator Bingaman; Charles C. Smith, assistant to Senator Dixon; Jim Sayer, assistant to Senator Wirth; Terrence Lynch, assistant to Senator Shelby; Jeffrey Hyche, assistant to Senator Shelby; Henry D. Sokolski, assistant to Senator Quayle; Alan Ptak, assistant to Senator Gramm; and Bill Wight, assistant to Senator Warner.

OPENING STATEMENT OF SENATOR SAM NUNN, CHAIRMAN

Chairman NUNN. This morning we need to consider the nomination of Robert B. Costello to be the Assistant Secretary of Defense for Acquisition and Logistics.

Dr. Costello, we welcome you here this morning. We understand you have your family with you. We are delighted to have them. Is your wife with you?

Dr. COSTELLO. Yes. she is.

Chairman NUNN. We are delighted to have you this morning.

Dr. Costello is well qualified for the position that he has been nominated for, with an extensive background in dealing with similar procurement-type issues at General Motors. That experience will be sorely tested because the problems in defense acquisition are serious and certainly merit attention. We have heard many stories about many procurement problems, coffee pots costing \$7,000,

toilet seats costing \$600 and hammers costing \$400. Of course these are problems, and they have to be addressed.

Frankly, in my view, these problems are minor compared to a far larger problem in acquisition, and that is the significant inefficiency of our production for major weapons systems. Over half of the combat aircraft production lines are being produced at a rate of one aircraft per month or less. The services are buying weapons at less than half of the production rates that were planned when the Department of Defense and Congress made a commitment to proceed with those systems.

Production stretchouts are systematic, as indicated by the increase of the number of major acquisition programs in this year's budget request that are stretched out compared to last year's budget projections.

Inefficient rates and stretchouts add, on the aggregate, billions and billions of dollars to costs to produce the same number of systems. I consider this overall situation to be one of the most serious problems we face. Far too much of our defense investment is being frittered away on overhead because of inefficient production rates.

Last week the Comptroller General testified that the Department of Defense planning and budgeting systematically crams more programs into the budget than can be afforded, and certainly history shows this to be correct. It did not start with this administration, but we do have a more serious problem now than we have ever had before because we started with this administration with a very high level of defense expenditures. We had more programs crammed in than ever before, and now we are seeing a very significant decrease in that rate of defense expenditures.

So this problem is going to get worse. The budget before us continues funding for major new starts which were planned several years ago when budget forecasts were a good deal more optimistic. Now that we are facing a budget crunch, it is apparent to me that the Department of Defense has not objectively evaluated the new starts versus existing productions and do so within various realistic budget levels.

A further problem that must be addressed concerns the condition of our industrial base. We must ensure that our industrial base is competitive with foreign businesses without losing sight of the need for increased cooperation with our allies in research, development and production.

You have many serious challenges, Dr. Costello, and we look forward to hearing your thoughts on these problems as you come into this job. We do not expect you to have all the answers this morning, but we do, I am sure, have a number of questions.

As I understand, Senator Quayle is going to introduce you. You come well represented, Dr. Costello, since Senator Quayle is an outstanding member of our committee. Not only that, he has been one of the most involved members in these procurement issues. So Senator Quayle, if you would like to proceed.

Senator QUAYLE. Thank you very much, Mr. Chairman. Dr. Costello, even though his most recent home is in Michigan, has spent, I think, about 12 or 14 years in the great State of Indiana. As a matter of fact, those were the formative years of his life [laughter] where he really learned a lot of good acquisition skills, logistics

skills, management skills and people skills, and I think that even though he was born in the east that he grew up and has a lot of experience in the midwest, and he will bring a lot of good common sense and be able to answer, hopefully, a lot of the questions that the Chairman rightfully raises.

He knows full well the kind of challenges that he is facing. I tried to tell him that this is not quite like the private sector in Delco Ramey or Delco Electronics in Indiana or General Motors, but he will bring a very good sense with a business background and management background, and we hope that in working with Mr. Godwin that they will be able to put some stability and to get a more flexible, responsive system than what we have. It is a huge challenge but I highly recommend Dr. Costello for this position. I think he will do an outstanding job, and I know he is extremely qualified, and he is ready to go.

Thank you very much, Mr. Chairman, and good luck.

Chairman NUNN. Thank you, Senator Quayle.

I would like, Mr. Costello, before we call on you to give whatever remarks you would like, I would like to call on Senator Bingaman. I am going to have to leave in just a few minutes, and I am going to ask Senator Bingaman to chair this full committee hearing this morning.

Senator Bingaman is the chairman of the Defense Industry and Technology Subcommittee which will have oversight over acquisition policy and over your responsibilities and duties.

So, Senator Bingaman, do you have any opening comments you would like to make?

Senator BINGAMAN. Mr. Chairman, let me just say that you summarized the importance of this position very well, and I think Senator Quayle pointed out the outstanding qualifications which Mr. Costello has.

He did come by to visit with me, as I know he has visited with many Members of this committee, and I am very impressed with the fact that a person of this quality would be nominated and would be foolish enough to accept a job of this type. [Laughter.]

I think it is credit to him, and I look forward to working with him. I do have a few questions after he gives his statement, some of which I would like to ask and most of which we will put in the record, but I do think that we need to get him confirmed as quickly as we can so that he can officially carry out his important duties.

Chairman NUNN. Thank you, Senator Bingaman. I am going to ask you to preside, if you would, and I am going to listen to as much as I can and then I will depart, but you will be in charge.

Senator BINGAMAN [presiding]. Unless someone else has an opening statement, why not go ahead, Mr. Costello, and say anything you would like to about your intentions in the new position, and then we will have a few questions.

[The nomination reference of Dr. Costello follows:]

NOMINATION REFERENCE

AS IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
February 3, 1987.

Ordered, that the following nomination be referred to the Committee on Armed Services:

Robert B. Costello, of Michigan, to be an Assistant Secretary of Defense, vice James Paul Wade, Jr.

[The biographical sketch of Dr. Costello, which was transmitted to the committee at the time the nomination was referred, follows:]

BIOGRAPHICAL SKETCH OF DR. ROBERT B. COSTELLO

Dr. Robert B. Costello was nominated to be the Assistant Secretary of Defense for Acquisition and Logistics by President Reagan on October 2, 1986. His confirmation hearing is pending. In the interim, he will work as a consultant to Richard P. Godwin, Under Secretary of Defense for Acquisition.

Prior to his appointment, Dr. Costello was Executive Director, Purchasing Activities for the General Motors Corporation. He was responsible for providing new direction and implementing a broad range of new programs throughout General Motors and its suppliers worldwide for all goods and services, with annual purchases exceeding \$50 billion. For the past two years, he had also been chairman of the General Motors Corporate Ethics Committee formed to establish a new comprehensive policy for all employees related to their dealing with people and organizations outside of General Motors.

Dr. Costello was born in New Rochelle, New York, on June 21, 1926. He attended Yale University, has Bachelor of Civil Engineering and Master of Civil Engineering degrees from Rensselaer Polytechnic Institute and a Doctor of Philosophy in Civil Engineering degree from Cornell University (1951).

He enlisted in the U.S. Naval Reserve in June 1944. He continued his reserve association through 1978 on active duty as an officer in the Civil Engineering Corps during the Korean war along with a variety of reserve assignments. He retired in 1978 with the rank of captain.

Prior to joining General Motors in 1960, Dr. Costello held a number of positions in Advanced Research and Management specializing in Material Science and Aerospace and Missile Test and Engineering.

In 1960, Dr. Costello joined the Allison Division of General Motors as Chief of Missile Engineering. Subsequent assignments were in the Defense Research Laboratories in Santa Barbara, California in Deep Ocean Engineering and acoustic research. He holds a number of patents in deep ocean materials, systems, and instrumentation. He was reassigned to the Allison Division as Director, Liaison for the Main Battle Tank Program in charge of international aspects of the joint U.S./Germany project.

In 1968, Dr. Costello was assigned to the Delco Electronics Division and assumed responsibility for purchasing, production control and logistics in 1970. During this assignment, he directed a worldwide purchasing network and implemented unique new quality programs for a wide range of electronic components.

Dr. Costello has been responsible for a broad range of engineering and development activities along with divisional and corporate programs in Data Processing, strategic planning, international procurement and engineering.

Dr. Costello has been living in Detroit for the past four years and been active in the Recess Club, The Detroit Association of Purchasing Management, and the National Association of Purchasing Management. He and his wife, Marcia, have five children and four grandchildren.

[The Committee on Armed Services requires all individuals nominated from civilian life by the President to positions requiring the advice and consent of the Senate, and certain senior military officers as determined by the committee, to complete a form that details the biographical, financial and other information of the nominee. The form executed by Dr. Costello in connection with his nomination follows:]

UNITED STATES SENATE
COMMITTEE ON ARMED SERVICES

Room SR-222

Washington, DC 20510-6050

(202) 224-3871

COMMITTEE ON ARMED SERVICES FORM

BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF
NOMINEES

INSTRUCTIONS TO THE NOMINEE: Complete all requested information. If more space is needed, use an additional sheet and cite the part of the form and the question number (i.e. A-9, B-4) to which the continuation of your answer applies.

PART A—BIOGRAPHICAL INFORMATION

Instructions to the Nominee: Biographical information furnished in this part of the form will be made available in Committee offices for public inspection prior to the hearing and will also be published in any hearing record as well as made available to the public.

1. **NAME:** (Include any former names used.)

Robert Bassett Costello (Nickname: Bob).

2. **Position to which nominated:**

Assistant Secretary of Defense (Acquisition and Logistics).

3. **Date of nomination:**

February 3, 1987.

4. **Address:** (List current place of residence and office address.)

[Nominee responded and the information is contained in the committee's executive files.]

5. **Date and place of birth:**

June 21, 1926; New Rochelle, Westchester County, New York.

6. **Marital Status:** (Include maiden name of wife or husband's name.)

Married to the former Marcia Marlene Kuntz.

7. **Names and ages of children:**

Robert Bassett Costello (deceased—DOB: November 14, 1951); Joseph Ball Costello—age: 33; Timothy Andrew Costello—age: 27.

8. **Education:** List secondary and higher education institutions, dates attended, degree received and date degree granted.

Yale University, 1943-1944.

Rensselaer Polytechnic Institute, 1945-1948, BCE/MCE.

Purdue University, 1948-1949.

Cornell University, 1949-1951, Ph.D. Civil Engineering.

9. **Employment record:** List all jobs held since college or in the last 10 years, whichever is less, including the title or description of job, name of employer, location of work, and dates of employment.

Executive Director, Purchasing, General Motors, 3044 W. Grand Blvd., Detroit, MI, September 1982-July 1986.

Director, Material Management, GM Delco Electronics, 700 E. Firmin St., Kokomo, IN, 1967-1982.

10. **Government experience:** List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above.

34 years active duty and reserve association in the U.S. Navy Reserve.

11. **Business relationships:** List all positions currently held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution.

None.

12. Memberships: List all memberships and offices currently held in professional, fraternal, scholarly, civic, business, charitable and other organizations.

General Motors Corporation.

National Association Purchasing Management.

Naval Reserve Officer's Association.

Society of the Sigma X.

Reserve Officer's Association.

The Recess Club (Board of Governors).

Oakland County Republican Party.

Michigan Republican Party.

National Republican Party.

Kokomo Country Club.

The Pointe Golf & Tennis Club.

Franklin Community Church.

13. Political affiliations and activities:

(a) List all offices with a political party which you have held or any public office for which you have been a candidate.

Not applicable.

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 5 years.

Not applicable.

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$100 or more for the past 5 years.

Contributed to various campaigns—primarily Republican candidates—and members of local county Republican Parties in Michigan and Indiana.

14. Honors and Awards: List all scholarships, fellowships, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements.

Academic honors in the University environment—no other significant, widely recognized honors.

15. Published writings: List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.

Numerous writings in a number of fields covering oceanography instrumentation, advanced materials systems, deep ocean instrumentation and structure, and a wide number of lectures and presentations on materials management and procurement concepts.

16. Speeches: Provide the Committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated.

Numerous speeches in materials management, participated management, materials and quality research.

17. Selection:

(a) Do you know why you were chosen for this nomination by the President?

It is my understanding that the White House undertook a search for the most qualified professional in the procurement field, and I was identified as one of the candidates.

(b) What do you believe in your background or employment experience affirmatively qualifies you for this particular appointment?

I have an unusual background involving military experience. My technical training and experience in advanced research—much of it dealing with military programs—and extensive experience in materials management and procurement, particularly in which I was responsible for the military forward industrial procurement activity in the world—General Motors world-wide.

18. Commitment to Testify Before Senate Committees: Do you agree, if confirmed, to respond to requests to appear and testify before any duly constituted committee of the Senate?

Yes.

COMMITTEE ON ARMED SERVICES FORM

FINANCIAL AND OTHER INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Information furnished in Parts B through F will be retained in the Committee's executive files and will not be made available to the public unless specifically directed by the committee.

NAME: Robert Bassett Costello.

PART B—FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all business connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Has anybody made a commitment to employ your services in any capacity after you leave government service?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Is your spouse employed and, if so, where?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. If confirmed, do you expect to serve out your full term or until the Presidential election, whichever is applicable?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART C—POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients or customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.)

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Do you agree to provide to the committee any written opinions provided by the General Counsel of the agency to which you are nominated and by the Attorney General's office concerning potential conflicts of interest or any legal impediments to your serving in this position?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART D—LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Have you ever been investigated, arrested, charged or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county or municipal law, regulation or ordinance, other than a minor traffic offense? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Have you or any business of which you are or were an officer ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you ever been convicted (including a plea of guilty of nolo contendere) of any criminal violation other than a minor traffic offense?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Please advise the committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART E—FOREIGN AFFILIATIONS

1. Have you or your spouse ever represented in any capacity (e.g., employee, attorney, business, or political adviser or consultant), with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. If you or your spouse has ever been formally associated with a law, accounting, public relations firm or other service organization, have any of you or your spouse's associates represented, in any capacity, with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. During the past ten years have you or your spouse received any compensation from, or been involved in any financial or business transactions with, a foreign government or an entity controlled by a foreign government? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you or your spouse ever registered under the Foreign Agents Registration Act? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART F—FINANCIAL DATA

All information requested under this heading must be provided for yourself, your spouse, and your dependents.

1. Describe the terms of any beneficial trust or blind trust of which you, your spouse, or your dependents may be a beneficiary. In the case of a blind trust, provide the name of the trustee(s) and a copy of the trust agreement.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Provide a description of any fiduciary responsibility or power of attorney which you hold for or on behalf of any other person.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, executory contracts and other future benefits which you expect to derive from current or previous business relationships, professional services and firm memberships, employees, clients and customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you filed a Federal income tax return for each of the past 10 years? If not, please explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Have your taxes always been paid on time?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Were all your taxes, Federal, State, and local, current (filed and paid) as of the date of your nomination?

[Note: Nominee responded and the information is contained in the committee's executive files.]

7. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

[Note: Nominee responded and the information is contained in the committee's executive files.]

8. Have any tax liens, either Federal, State, or local, been filed against you or against any real property or personal property which you own either individually, jointly, or in partnership?

[Note: Nominee responded and the information is contained in the committee's executive files.]

(The committee may require that copies of your Federal income tax returns be provided to the committee. These documents will be made available only to Senators and the staff designated by the chairman. They will not be available for public inspection.)

SIGNATURE AND DATE

I hereby state that I have read and signed the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

ROBERT BASSETT COSTELLO.

This 12th day of February, 1987.

STATEMENT OF ROBERT B. COSTELLO, NOMINEE FOR ASSISTANT SECRETARY OF DEFENSE FOR ACQUISITION AND LOGISTICS

Dr. COSTELLO. I am honored, Mr. Chairman, Senators and members of the committee, to be considered for a post of this type, especially at this time. Last year there was a great deal of focus and attention on acquisition matters in both Houses of Congress, and

yourselves in particular; to establish some guidelines and rules with new legislation, to provide an opportunity for change.

Personally, I am an individual who is dedicated to establishing change in a logical way, which engenders successful change. Dealing with an organization as large as the Department of Defense is awe inspiring, and despite of Senator Bingaman's comments, my wife has the same comment. She said why are you looking to take on a job of that type? Well, I have served my country in the past, and I believe that any citizen has to accept any opportunity to significantly serve and contribute to his country.

It is a unique opportunity to have managed the largest industrial procurement activity in the world, and now I will have an opportunity to manage the largest purchasing activity in the world. Purchasing is a distinctive and diverse area, and requires a variety of talents.

When Secretary Weinberger offered me this job, and we discussed it, I described this job as an element of business with limited time frames in which certain needs, requirements, and opportunities must be addressed. Rarely is there a person with the talent, experience, and interests which are synchronous with the opportunity for that job. I told the Secretary that if he were to offer me the job, I would not have a choice to make. It would be a pleasure to accept a job where I could take my talents and apply them directly to the needs of the Defense Department; especially at the time when the legislative branch has structured a new organization, a new activity, that will allow us the opportunity for change.

I am here to look at those opportunities and to work with this committee, with the members of the committee individually, and also with the committee staff, to help expedite the procurement process and achieve the changes that Congress is attempting to accomplish through last years significant legislation.

I would like to open it up to any questions that each individual would like to ask.

Senator BINGAMAN. Let me just ask a couple of questions if I could and then defer to the others. I know there are a lot of people very interested in the issues that you have responsibility for or will have responsibility for in this position.

Let me just ask a very general question. We have done a lot of legislating here, and Senator Quayle took the lead on a lot of it, working with Senator Levin and Senator Dixon and others including myself, to try to improve the acquisition system. I do not know if it helped or hurt at this stage, and I would be interested in any reaction that you have at this early stage as to whether the legislation that was enacted is being implemented, whether you have had the opportunity to evaluate the need for changes in that legislation, or whatever general comments you would have for us.

Dr. COSTELLO. I think the extent of the legislation passed last year was so broad and sweeping that it is too early to evaluate its effects.

The legislation is being implemented. Mr. Godwin, who is the Under Secretary for Acquisition, has taken on significant challenges to implement the legislative intent. His organization and the services, have responded to the challenge.

It will be the role of our activities to see that the intent is fully implemented. We should be able to come back to you in the future and give you status reports as we see results. However, it is still too early to see those results.

Senator BINGAMAN. Let me ask on the whole business of the defense industrial base. We have a recommendation from the Defense Science Board about the semiconductor industry and the need, in their view, to get the Department of Defense more active in trying to support our semiconductor industry.

I am not going to ask you today for a reaction to that report but I am interested in your general thoughts about how we approach this whole issue of identifying what is needed for the industrial base and pursuing it. It seems to be an issue that sort of comes up on an erratic or sporadic basis, and perhaps it is not as systematically approached as it needs to be. That is my impression, and I would be interested in any thoughts you have.

Dr. COSTELLO. In my prior experience with General Motors, when we bought something new or changed the direction in which we were going, we had to look at the industrial base. I have been deeply concerned about various aspects of the industrial base for at least 10 years. For the last 4 or 5 years, I have been involved with broader industrial base issues, as I took responsibility for all procurement in General Motors.

I think that the Defense Department, in particular, has a role to play in the industrial base. I do not think at this time it is well defined. I think that the semiconductor industry is a necessary element of the industrial base, but is the machine tool industry, the steel industry, and the bearing industry? Rather than look at them one at a time, I think it is necessary to take a broad perspective and say yes, there is a role for the Defense Department. However, it needs to be defined.

My understanding is that there is a major effort now to define the DOD's role. As part of that definition, one has to look at specific industries and the criticality of each industry to the industrial base. The semiconductor industry is very important.

They have made a proposal. I think it has to be carefully evaluated on its own merits as well as part of the broader context for the general industrial base.

Senator BINGAMAN. Thank you very much. I have some other questions. I think I will probably wind up submitting most of these for the record, but let us go on to questions by other Members.

Senator Warner.

Senator WARNER. Mr. Chairman, I would defer to the Senator from Indiana.

Senator BINGAMAN. Senator Quayle, go right ahead.

Senator QUAYLE. Thank you very much, Mr. Chairman.

Welcome once again, Dr. Costello. Let me just ask you about the possibility of a recommendation of the Packard Commission that I think that you are working on, and that is to combine all the existing procurement legislation into a single status. You had mentioned this as one of your priorities, I think, of getting some streamlining in the regulatory process, and I just wondered how you visualize this possibility of getting a codification and all the procurement legislation under a single statute.

Dr. COSTELLO. That is a very difficult question to answer. You can say, yes, you would like it done; but you have to live in the real world, Senator, where you may not get all of the laws changed to perfection. There may not be perfection because the environment is changing.

It was my impression, as I read the Packard Commission report and then had an opportunity as a consultant to go to the field and talk to people, that perhaps there is more flexibility in the laws than people realize.

Legislators may promulgate laws with a specific intent; and the legislation may in fact allow for flexibility which is quite broad. That legislation then goes through the Federal Acquisition Regulation process and normally that band of flexibility is narrowed down a little. Then it goes to the Defense Acquisition Regulation Council, and they narrow that down a little more.

Now, you started off with a pretty broad scope, but after a couple of iterations, we have lost flexibility. By the time you get down to the guy that has to follow that regulation, he has no flexibility at all.

One of the things we should do is to look at the intent of the legislation, and then allow some of the people more flexibility within the intent of the legislation rather than come back and say please change the laws.

DOD has put together a couple of committees with the Office of Federal Procurement Policy to look at laws, to see whether or not there are some legislative changes which might be of benefit. They are also going to look at the internal regulations to see how many of those should be changed or eliminated.

There is a major emphasis in the services on steamlining. There is a lot of good effort being put forth. I have talked to most of the people involved in those activities. I think by the time they are through we may come back and say please change this, but that will be with full knowledge of your intent and how it can be fulfilled in the field today.

Senator QUAYLE. So what you are saying is that perhaps a lot of this streamlining and getting more flexibility into the procurement system itself might be done internally.

I think your description of it is quite accurate. We have had testimony in the past that someone will come before us and tell us here is the way that it is being carried out. We say, well, that is not what the congressional intent is.

You are absolutely right that once it goes through about three or four processes that it gets narrowed down, and you have rigidity built into a law that we never really had anticipated. So I think that your focus is proper, that there are a lot of internal encumbrances that have been placed upon the system that might be able to be avoided administratively.

I think the Packard Commission report, at least as I read it, goes in that direction and suggests that there are a lot of things within the Department of Defense itself that could be done to help alleviate this. I think it is a very important problem in getting good management, and I think you will find that out if you have not already.

Dr. COSTELLO. We have the opportunity in the Office of the Assistant Secretary for Acquisition and Logistics to have a Senior Military Assistant, Capt. Jack Kavanaugh, who served on the Packard Commission. As a consultant, I have been able to discuss many ideas with Capt. Kavanaugh and I believe that he shares the same concerns that many of you do. He also seems to share your opinion, and one expressed by the Packard Commission, that many adjustments can be made internally.

To put it very succinctly, I think that the people are operating today under the belief that if the law does not tell me I can, I cannot. I think the intent really is that if the law does not tell me I cannot, I can. Now, that is a subtle but a very significant philosophical change, and I think that we want to find out how much we can do rather than how much we cannot do.

There are some people that have taken some bold initiatives. The model installation program is a bold initiative which allows DOD employees in the field to operate more independently of DOD regulations. This program has been proven to enhance the accomplishments of DOD's employees.

Senator QUAYLE. Well, we certainly wish you luck.

One other final question, Mr. Chairman. One of your priorities that you have discussed deals with overcoming the adversarial relationship with industry. Do you want to define and perhaps expand on how you think that might be worked out, what you really mean by that?

Dr. COSTELLO. That is a fundamental cultural change that I think has to occur. It has many facets today. The more you study, the more you realize that there are changes that need to be put in place.

The normal relationship is one of I win, you lose. It is an adversarial relationship. You are negotiating with a contractor, and if you can beat him down in some area, why, then you succeed. He loses, you win. It turns out that we probably both lose under those circumstances because no one is smart enough to know all of the things that the other man has hidden. So if you approach his weakest points you may gain.

I think as we look ahead understanding this relationship is important. As Senator Nunn mentioned, we have an industrial base that is not fully utilized and which is very costly.

We are looking at some advanced composite structures. The Voyager was made of those new graphite composite structures. They are challenging. They are interesting, but normally the Defense Department would announce their requirements and the eight companies in that industry would put in place facilities to meet our needs.

It turns out that in industry a single facility by itself may be able to meet 50 to 75 percent of our needs. If all eight of these facilities are put in place, we automatically have four to six times our needs. We compound the problem of utilization, and we compound the problem of our subsidization of industry at that point.

Now, if we are going to work with industry, we have to take a look and ask them, as an industry group, how are you going to meet our needs, not exceed our needs; not incur the significant cost of subsidization of excess capacity?

We are going to have to develop a broad range of new approaches to dealing with industry in an effective way. I think that this is a major cultural change, one of working together versus an adversarial relationship; and one in which we examine our needs in a broader basis than we have in the past.

Senator QUAYLE. Thank you, Mr. Chairman.

Senator BINGAMAN. Senator Shelby is next under the early bird rule the committee has adopted.

Senator SHELBY. Thank you, Mr. Chairman.

Dr. Costello, in your future capacity as Assistant Secretary of Defense for Acquisition and Logistics, I believe you will need to plan for the maintenance of supply lines in the event of war.

I would like to ask you this. What is your opinion of offshore sourcing?

Dr. COSTELLO. I have faced that issue before, obviously. What are the resources? I had a philosophy that we should maximize the value added in the markets in which we sold our product. In the company I worked for that was in North America, the United States and Canada. I may modify that concept a little, but basically I believe that we have to look at the resources that we need here in the United States.

We enjoyed a position over a period of years in which we were preeminent in technology. We now find ourselves in a world in which there are technology capabilities that we need to address and have available to us here in the United States.

I think that we have to work out a long range program with some overseas suppliers to ensure we have complimentary manufacturing capabilities here in the United States. We need to establish some surge capacity or ongoing capacity here.

I think we have to take a perspective that if an organization wants to sell defense products, we are the only game in town; therefore, we have the leverage to focus the suppliers' attention on our needs.

Senator SHELBY. Doctor, competition regulations have opened up contract bidding to include foreign suppliers. This would mean that in the event of war, you have the offshore sourcing. Would that not compound our ability to maintain the supply lines. How are we going to have to maintain those lines if we do not have these complementary plants and sources of supply on shore?

Dr. COSTELLO. I think whether it is new technology or competitive bidding, we have to find ways of insuring that that capacity is available to us.

Senator SHELBY. In your future capacity, which I presume you will be there, will you make a study of the offshore sourcing and the problems of supply in the event of war?

Dr. COSTELLO. I think it is extremely important to study it in detail and to establish a viable concept to deal with the Europeans as well as the Japanese. I do not think that we look at the Japanese in the same light today as we do the Europeans.

Senator SHELBY. But you still have the long supply line?

Dr. COSTELLO. We still have a long supply line that must be addressed as far as mobilization potential. I think that mobilization and sustainability are two major issues, Senator, and I appreciate your comments.

Senator SHELBY. Thank you.

Thank you, Mr. Chairman.

Senator BINGAMAN. Thank you very much. I believe that Senator Exon is next.

Senator EXON. Thank you very much, Mr. Chairman, and welcome, Dr. Costello. We are delighted to have you here. I appreciated very much the courtesy call that you made to my office before you came here. I am enthusiastic about your nomination by the President, and I am sure this committee as a whole and this Senator certainly will enthusiastically support the difficult role that you have taken on. I think it is a very wise choice.

Let me get into some of the things that, I think, are going to be facing you. First, you are familiar I am sure, at least to some extent, with the continued erosion of the industrial base of the United States in a whole series of areas. I am talking particularly, though, this morning about the ongoing controversy with regard to the merger between Fujitsu and Fairchild in the area of high tech computer chips. This industry is a very key element in our future defense strategy planning, R&D and probably weapon performance.

You are aware, I am sure, that the Defense Department, which you are shortly going to be a very important part of officially, has taken a stand against this and has recommended that the Justice Department move in under the antitrust laws at least to further allow the advanced computer chips industry to slip away from us.

I have information that I believe is essentially correct, that as recently as 10 years ago all of the high tech computer chips were made in the United States by United States companies, and during the last 10 years we have now slipped down to where we are making less than 25 percent, more likely around 15 percent, of the high tech computer chips. That has a direct bearing on our future, security especially with regard to SDI.

I am wondering if you could elaborate on that any more this morning than what we already know and give us your viewpoint on that danger of that important part of our technology base continuing to slip away from us.

Dr. COSTELLO. I think Senator Bingaman mentioned the semiconductor industry initiative and the Defense Science Board initiative. The Defense Science Board's semiconductor industry study reflected their concern that some of the advanced technological lead we have had seemed to be slipping away from us.

The statistics that you quoted demonstrate the specific focus that the Japanese in particular, have taken with regard to memory technology. The semiconductor industry looks at memory as being the driving force for advanced technology; advances in the broad subject of high quality, high technology, low cost semiconductors. The specific instance of the Fujitsu/Fairchild buyout has been well described in the press.

I think that part of our initiative has to be one in which we say the role of the Defense Department; and what it must support through direct purchases or direct funding of R&D. Or perhaps even more importantly today, not product R&D, but R&D in process and manufacturing technology; which has been overlooked, to some degree, in favor of the product orientation that most U.S. research and development has supported.

I think we have to take a look at what kinds of programs we need to fund to ensure that we have the resources here, as Senator Shelby mentioned. The ownership is important because that can influence the direction and flow of the technological resources.

We need to make sure that we have the proper long range support for our technology here. We would have to look, then, at the arrangements between Fujitsu and Fairchild, if that were to go through, to ensure the appropriate flow of technology to the United States.

Senator EXON. What I am searching from you is a firm position on whether or not we should continue to go all out to block, as is the general opinion in the Department of Defense at the present time, this sale to Fujitsu from Fairchild, if that should go through. Where do you stand?

Dr. COSTELLO. Fairchild has already been owned by a foreign country. It has been owned by the French. Schlumberger had ownership, and therefore it is not a case of foreign ownership at this point.

I will leave it to wiser people to say whether we should block it or not, but if it is blocked then we have to decide what we do with the Fairchild company to make it less attractive for other people to buy it and to make the owners of Fairchild to be less inclined to have it bought by somebody else. We have a job to do.

I think we have to look at the Japanese in a different perspective. Mr. Marvin Gottlieb happens to be in the audience, and he and I, for over 15 years have worked diligently with the Japanese, to create an environment of mutual trust and help. I think we need to establish a policy that looks to the Japanese and the technologies that they have as a resource, rather than as a threat.

If they did buy the Schlumberger portion of Fairchild, I think we can live with that. I think we would have to live with that. But if we do, I think we need to take a very aggressive role and to ensure the Japanese have a program to bring technology here to the United States.

Senator EXON. My time is up, Mr. Chairman, but I will pursue this a little further in the second round because I am getting less than a positive response from this witness that I have already said I intend to support. I will follow this further.

I think this is a fundamental issue. I am aware of that. This is owned by the French now so it is not a foreign. I am also aware, as I pointed out in my figures, that the Japanese are out to get this kind of a control of the super tech computer chip industry. I think that is not in the national security interest of the United States, regardless of what you think of the Japanese and regardless of the role that the Japanese are going to play in the immediate future as an ally of ours.

I am not Japanese bashing but I am not sure that this deal is in our interest. It seems ludicrous to me for the Department of Defense to be proposing a \$2 billion program over the next 5 years to enhance the computer chip high tech industry in the United States of America at the same time another part of our government, and maybe you as a new procurement officer in the Department of Defense do not seem to be nearly as concerned about this matter as this Senator is.

I will pursue this further in the second round.

Senator BINGAMAN. Senator Dixon.

Senator DIXON. Thank you, Mr. Chairman.

Dr. Costello, may I first say that I do not recall ever encountering a person as well qualified in the private sector for the kind of job that is being undertaken here in the Government as you are, and I am very pleased about that because I have had a very strong interest in the question of acquisition and procurement since I have been a member of the Armed Services Committee.

Generally, I have been very pleased with your answers to the questions. I just wanted to make kind of a record about my perception about how many of us on the Armed Services Committee feel about this whole question.

I was the principal sponsor of the Competition in Contracting Act, and while that has had somewhat of a spotty record since its passage, here in the last session in this very committee we had a pretty active debate about whether we ought to continue that policy. I led the fight to retain the aspects of the Competition in Contracting Act in the DOD authorization bill last year and ultimately prevailed in the committee.

At the same time, I was active in fencing the money for the Sergeant York air defense gun, which simply did not work. It was no good. Fortunately, it was manufactured by Ford and not General Motors, Dr. Costello.

I was also a sponsor last year, the principal sponsor then to Secretary of Defense for Acquisition provisions of the DOD reorganization bill.

I think there is a very strong feeling in this committee that people like you with the appropriate professional background and the strength of character and the executive ability to do it can make a tremendous difference and save an awful lot of money while getting us the best bang for the buck in the position you are going to undertake.

I really believe that it is the sense of the committee, and I have no doubt about that, and the sense of the Congress that we want centralization of the acquisition and procurement policies by the Department of Defense, and we want to avoid a duplication in the various services of a variety of hardware and equipment and airplanes and a variety of other things that we think could be avoided by more careful acquisition and procurement policies.

I hope that message is at least received by people like you and Mr. Godwin and others in the Department of Defense. We sometimes wonder whether others know about it.

Do you feel that that is the sense of the Congress, that we want that sort of thing done?

Dr. COSTELLO. I think it was well described in the legislation that was passed last year, and I think that certainly, Mr. Godwin has been taking a very, very aggressive role to look at fielding common systems.

As I have had a chance to go to the field, I have noticed that there were different systems being studied or designed, even in the business end of various organizations. I have asked questions. If the Navy has a system here in Norfolk, why doesn't DLA use that system in Richmond?

Senator DIXON. Good for you.

Dr. COSTELLO. I think that some of that approach is bearing fruit.

Senator DIXON. May I interrupt by saying this? I thank you for saying that.

Senator Bingaman, Senator Levin and myself, and I cannot remember if there were others, had breakfast recently with Mr. Godwin. I want to say that I was well pleased with that breakfast and the things that he said, and I had the sense that he was going forward with the real purpose to do the kinds of things we are discussing here, you and I, Dr. Costello.

I also had the sense that there is some natural opposition to that within the Department of Defense. It is like changing the system. Anytime you try to change the system, you are going to have some opposition.

I just recently on our last break was visiting a variety of different installations and manufacturers; and I was struck by the fact that, for instance, we have the AT4 for the Army. They have something similar for the Marines. It is a little more complicated but different. As you go through the whole list of all of the inventory that we have, I am persuaded that in every separate branch of the service they have similar things doing similar jobs that are unnecessary duplications, and obviously one of them is probably the best for the purpose intended.

Are you going to be looking at that sort of thing up and down the line?

Dr. COSTELLO. I think that is a major part of the responsibility. I likened the competition between the Army, Navy, and Air Force for getting their thing done their way, to the competition between Buick, Olds, Chevrolet, and Pontiac. I have had the experience and was personally involved in that type of competition: "I would like my particular stamp on this product".

There are ways to approach it for consensus, and yes, consensus such as that takes terribly strong leadership. You have structured an organization in which the Under Secretary for Acquisition is in a position of that leadership along with his staff, I will look forward to being a member of that. It has to be a major goal. We cannot afford the duplication.

Senator DIXON. I want to say in the presence of my colleagues I wish some more from the other side were here, because Senator Quayle in particular, as Senator Levin and Senator Bingaman will agree, has been very much involved in all of this over a long period of time.

I want to say that I hope you and Mr. Godwin have the message that we back you 100 percent, and when you have any problems in your department about questions of your authority, I hope you will come back to us on an individual basis to test whether we really mean what we say, because we really do want to back you 100 percent with what you are doing.

My time is up, but I finally want to say that while I think competition is important, I like the fact that we are looking at dual sourcing, a quality product and a lot of other things. I am still convinced that sometimes you have to remember the fact that everybody can make something a little bit cheaper, and it is not necessarily the best. We want the best.

I certainly endorse everything my colleague from Alabama and others have said about our industrial base. We want an industrial base that is protective of our national security interests in time of war, and all of us share those common goals.

I just want to conclude, Mr. Chairman, by saying that I really like the way this whole thing is beginning to make a turn for the better in my view in acquisition and procurement, and you are an excellent example, I believe, of the fact that the administration is taking very seriously what we are saying in the Armed Services Committee.

I am delighted to support your candidacy for this office and feel really optimistic and upbeat about what you can do for this country. I think it is a great challenge for you, and I congratulate you on accepting that challenge at obviously less pay than you would obtain in the private sector, unless General Motors has cut their salaries lately.

Dr. COSTELLO. I appreciate your remarks. Mr. Godwin and I both have been very sensitive to the specific comments that have been made to us by individual members, as well as this body and have been very, very encouraged by your personal support. I think that is extremely important to get this job done, and we will hopefully have the opportunity to come back and talk to the group, the committee as a body as well as the individual members for their support and evaluation.

Senator BINGAMAN. Senator Levin.

Senator LEVIN. Thank you, Mr. Chairman.

Let me echo a number of things which Senator Dixon just said.

First of all, Dr. Costello is an unusual candidate, in that we have someone who is particularly well qualified in the private arena whose duties in the public arena will be similar. We have someone coming into a public job who is extraordinarily well qualified technically for that job as a result of his recent, indeed long service in the private sector. That is an extremely important development, particularly in this area.

Second, I would like to echo what Senator Dixon said about this new structure we created. You are now part of that structure, and we fought hard to put it in place. There is still a lot of opposition to it by people whose turf will be slightly impacted by it. We intend to stand by it and stand by this new czar in the jurisdiction and duties that we gave to the office, to the czar and to his assistants.

So you can count on a lot of support from the Hill. This is true in the House. It is true in the Senate. It is true on both sides of the aisle. The support came for this new function and this new coordinated effort to do procurement in a more sensible way and not to parochialize it was much as it has been in the past.

Let me also welcome you because you are from Michigan. It is a particular joy to have somebody from Michigan. I would like to add that. I understand your wife is present here too, so let me add my greetings to her.

A couple of things I would like to ask you about if I have not used all my time in kudos and comments. One is the production rate issue. This committee and the subcommittee I chair will also be looking [in great detail] into why we are stretching out systems. It is costing us a lot of money. I believe our production rate is at

about 40 percent efficiency in one service, 30 percent in another one and 52 percent in a third one. It is very low. Our overhead continues at 100 percent but production rates are less than 50 percent.

We are cutting production rates in this budget below what we anticipated just last year and below current production rates in many instances in order to start new systems. When we have started new systems, we have continually projected that we will be producing them at a much greater rate than we actually produce them. All of that is creating massive headaches for us, increased unit costs that we have to do something about and we are going to do something about. I think we have heard expressions, again on both sides of the aisle in this committee, that we are going to do something about this, and it is our intent to do that.

Have you looked into this issue? Are you sensitive to it? Are you bothered by it? Do you have any specific recommendations for it?

Dr. COSTELLO. I appreciate your comments, Senator.

I am very bothered by it. I believe that we need a different approach to undertake new programs. We need to examine the industrial base necessary to support the base that will be put in place to support those new programs. For example, graphite fiber production to support the advanced composite structures. Ordinarily, we would have built excess capacity from the very beginning. If we take a different approach as we start new programs we can resolve this problem.

I think we have to look at ongoing programs in much the same light. If it were strictly a purchasing or a procurement responsibility, you might make them shut down. But, you need surge capacity. You need ongoing technology that you need. You need repair parts. We have to figure out how to more economically meet all of these goals.

It is a very difficult situation, and we have to, when we start new programs, start with a different approach to define what we need.

Senator LEVIN. Was your office involved in the budget decision on stretchouts this year? Did you, in effect, either argue against it or argue for it, not personally but your office? Do you know?

Dr. COSTELLO. I am not knowledgeable, sir.

Senator LEVIN. Pardon?

Dr. COSTELLO. I am not knowledgeable of what specific actions were taken in that office. I know that the issue was raised and some positions were taken. I think that one of the Deputy Assistant Secretaries, Tom Christie, has done a lot of program evaluation and has looked at stretchouts and the cost impact on these programs, so I am sure there was an input.

Senator LEVIN. Would you for the record go back to your staff and find out just what inputs there were on major programs that are being stretched out this year.

Dr. COSTELLO. We will provide that information for the record.

[The information follows:]

ECONOMIC PRODUCTION RATES

The subject of economic production rates has been raised as an issue each year since the fiscal year 1983 budget was submitted by this administration. Programs that are stretched in the Service's proposed 5-year plans are addressed and alternatives are offered which would increase the production rates to more economic levels

for selected programs and thus reduce unit costs. Several OSD offices have traditionally been involved in this analysis, and the office of the Assistant Secretary for Acquisition and Logistics has usually been the principal author of the issue paper, and hence, the advocate for more economic production rates.

The fiscal year 1988 budget has been a particularly difficult one in which to maintain economic production rates because of the reductions in funding from our previous plans for this year. When I have the opportunity to formally participate, I plan to ensure that these issues are presented in our decision forum.

Senator LEVIN. Dr. Costello, let me ask you about the exposure of corrupt or wasteful practices in the industry. We have had an issue that has been kind of bounding back and forth between us and the House over the years as to whether or not we ought to protect the employees of private contractors who blow the whistle.

The whistle has just been blown on me, but could you tell us if you are familiar with the issue of protecting employees, the whistleblowers, of private contractors and whether or not you have taken a position on that as a way of reducing waste and fraudulent practices in procurement.

Dr. COSTELLO. I would fully support whistleblowers and a situation in which we have a management structure that allows for people that have real concerns to be heard and for action to be taken in my own personal organization, as well as in the organizations with whom we deal, I believe the quality of work lies in participative management. If we really believe in that, then we had better take the good with the bad and act on it.

Senator LEVIN. Thank you, Doctor.

Senator BINGAMAN. We have gone around one time and had one round of questions. Let me start a second round by asking just one question, and then we will go to Senator Shelby and Senator Exon.

One thing that has concerned me in some of the recent articles has been what appears to be the increasing protectionism by both the Japanese and our European allies in the defense sector, and we argue about whether we should permit Fujitsu to buy Fairchild.

The Japanese, as I understand it, are fairly intent on not wanting to buy F-16s or F-18s to replace the F-1s that they have.

The Europeans are talking about a European defense common market with a preference for European defense products. I am not sure exactly what that will amount to, but I think it clearly would amount to less procurement of U.S. weapons.

Is this a concern that we in the Congress need to address? Is it something that you intend to try to address or factor into your decisionmaking in the DOD?

Dr. COSTELLO. I think we have to address it directly. I think that, as I mentioned before, we are the biggest act in town when it comes to defense-type weapons procurement, and with that we have a leverage to modify the rather rigid positions that some countries have taken, especially Japan.

I think that they will listen to us if we approach it vigorously and with the knowledge that they are willing to bargain. I think we have to be careful that we do not bargain away our position.

We need a broader production base so we can make better use of the facilities we have, because if we only supply ourselves and we give up that offshore market, then we have less use of our facilities. It compounds our problem, and I think we need to look aggressively at a comprehensive program for both buying and selling.

Senator BINGAMAN. Senator Shelby.

Senator SHELBY. Thank you again, Mr. Chairman.

Dr. Costello, I want to get back again on a couple of points. I thought Senator Exon made a good point, and I am sure he will pursue it.

I believe that you have to distinguish between peacetime commerce as far as outsourcing and national security. In this regard, and we went into it just a minute ago, you have to separate the general business interests in peacetime where you are outsourcing things, and you are buying things from all over the world. The sea lanes are open, basically as opposed to what could happen during a real national emergency such as real war, especially in view of the Soviet Union's continuous buildup of their blue fleet in the Pacific and elsewhere.

Along those same lines, why should we depend on anyone other than ourselves for national security, and I am including our European allies, the Japanese and others. Whether it is the highest and the best of the computers, because so much of our military technology is predicated on high tech, or parts that would go in some weapons system.

Dr. COSTELLO. I do not want to have anyone leave with the impression that I think we can depend on foreign sources either for our military strength or for our basic commercial economic strength.

Senator SHELBY. Doctor, excuse me a minute, but you have to distinguish between our basic national security and our general business.

Dr. COSTELLO. There is a distinction, but our general economic strength has to be a very serious consideration for us. I think that for the secure military production that we must have, we need to look at production of those kinds of materials here. Depending sole source from a foreign country could be very, very dangerous.

I had an opportunity to discuss this issue with the President of the National Defense University. They are also concerned about it and want to work with us to lay out the strategic plans that we need to address with the services, OSD, and the Secretary, to ensure long-term capability and sustainability. We cannot be sure of that in certain areas if the base is elsewhere.

Senator SHELBY. Do you believe, basically, that we should not depend on anyone other than ourselves for the super computer, military application, et cetera, et cetera?

Dr. COSTELLO. We have to have that capability here. We will discuss it, I am sure, with Senator Exon again.

The Japanese have made significant advances, and some of the commercial devices that we are making use Japanese chips.

There was a recommendation that the order of precedence for JAN parts, the joint Army-Navy parts, be abandoned so that we could make greater use of offshore resources. I have taken a position in opposition to that. I do not think that is the way to go. I think that we have to look at the JAN specs as a way to focus our requirements for process technology to allow us to be more than competitive and leaders here in the United States, and that is the role that we have to play.

Senator SHELBY. Thank you, Doctor.

Thank you, Mr. Chairman.

Senator BINGAMAN. Senator Warner has not had a chance to ask any questions. Go right ahead.

Senator WARNER. Thank you, Mr. Chairman. I have been meeting with Chairman Nunn in the back room on some other matters relating to this committee, and I apologize for not being here throughout this hearing.

I would like to say to you personally and to the members of your family that the United States should be grateful that you are willing to undertake this task at this particular time. It is not an easy one, and it involves your family a great deal because you will spend longer hours than I think you have in other positions, come home a little more twisted around the tree than you have ever been before, but I think you are the man to do the job, and you have my support.

As I have watched the legislation unfold, in these years I have been privileged to be on this committee one has to be concerned as to whether or not we are moving almost to the brink of socializing the defense industry by pouring on so many more responsibilities for accountability that the cost will come back to haunt us. So much for that. We have the law, and we are going to do the best we can to make it work.

My first question to you: Under the Defense Reorganization Act, a great deal of responsibility in the area of acquisition was taken from the individual military departments and reposed in DOD, which to some extent relieves a measure of accountability for the service Secretary and the service Chief. In other words, if a particular system does not work, even though it is a Naval system, they can say it is not our fault, go upstairs and see Dr. Costello.

What is your anticipation of your relationship between the service Secretary and the service Chief in that accountability?

Dr. COSTELLO. I think it is extremely important that we develop a broader role of communication for all of the responsible executives, both in the services as well as in the Office of the Secretary.

There have been established periodic meetings for both the installation executives and the acquisition executives, Army, Navy, Air Force and the Office of the Secretary. I think that the tradeoffs have to be discussed broadly and supported by those executives, as well as individuals from their offices. Mr. Godwin is working aggressively to establish the precedence and the organizational structure to make certain that this happens and that everybody is aware.

Senator WARNER. I think the most that can be achieved with this brief colloquy between us is that you reflect on it in the months and years to come. Remember that those individuals who are service Secretaries want to have this accountability and want to be responsible for these systems. I think with your leadership and that of Mr. Godwin you can instill that in them.

I wish you luck. I hope that we can make the existing body of law work and reach those goals for which it was passed, and that we do not have to have any more laws right away or additional regulation on the industry in this next term until we can appreciate effects of recent legislation.

Dr. COSTELLO. I appreciate your comments, Senator, and also the fact that we were in boot camp at Great Lakes in the same year. As a former Secretary of the Navy, you have a unique perspective which we need to evaluate and utilize, if you will allow us, sir.

Senator WARNER. Well, I understand that you are going to be signing 58,000 contracts a day. Is that correct?

Dr. COSTELLO. I am not going to sign them. [Laughter.]

Senator WARNER. That is what Secretary Weinberger said to me the other day.

Dr. COSTELLO. I have been out to some of the field organizations and asked them what would they do if they had a challenge to reduce that number in half, and it may be done perhaps.

Senator WARNER. Well, it may not be feasible because we do here in the Congress want to diversify the base of this defense work among the smaller minority contractors, so I am sure that accounts for some of the numbers.

You have been selected carefully by the President based on your achievements in the private sector. A lot of things in the private sector can help us make it work better in the Government. Put them to work. Thank you very much.

Dr. COSTELLO. Thank you.

Senator BINGAMAN. Senator Exon.

Senator EXON. Thank you very much, Mr. Chairman.

Dr. Costello, I am not trying to put you into a box because I recognize you have to have some flexibility, but I am trying to get a better handle than I have so far on this one matter of Fujitsu and Fairchild.

Can you explain your position better? It seems that you and Mr. Godwin seem to see eye to eye on many things, but from what you have said thus far this morning, I take it that you and Mr. Godwin may be in somewhat a different attitude or position with regard to the proposed Fujitsu acquisition of Fairchild and the Secretary of Defense. At least, that is my reading.

Am I reading that incorrectly?

Dr. COSTELLO. I want to be careful how I answer you because I do not think you and I disagree, sir.

Senator EXON. I hope we can get that cleared up, Doctor, because so far it seems to me that there is a slight disagreement.

Dr. COSTELLO. Well, I think the easiest answer is to prevent it, and that is going to solve the problem. We will have the technology here. We will not let it go away.

Maybe Fairchild is not in a position in which they are a leader today, and they are now for sale because they have not maintained their leadership, so the problem is broader, and I am trying to figure it out in the broader context.

I think that the immediate answer could be do not let them buy it. We will retain that technology here, and I can join you with that.

However do we maintain our technical leadership if we have companies that are not competitive in the world market today and we start isolating and protecting them? We have to figure a way to, yes, protect our interests and ensure that we have the resources here to meet any kind of an emergency. At the same time we must ensure that we are also utilizing the best technology in the world.

I am not a hedger. I am a very blunt, straightforward sort of guy. Senator EXON. I am sure you are.

Dr. COSTELLO. I think a very simple and easy answer is not allow them to buy it. I have to ask myself, what if we bought that? I want to ensure that we have on an ongoing basis a situation, especially in the semiconductor industry, where the industry takes on the challenges and takes on the tough road of self-discipline and the competitive stature that they need to have in the world marketplace.

I am not sure what signal we will send to the rest of the world when we say do not let anybody buy that resource.

Senator EXON. Ah, that is what I wanted to hear you say. I came out of a meeting at 9 o'clock this morning with regard to the cattle people, agricultural people. Clayton Yeutter was there, our trade representative, and the Secretary of Agriculture was there, and they made the announcement to us that the Japanese were extremely hard-nosed on several issues regarding free trade. One of them was rice.

They have said flat out that they, the Japanese, are going to be self-sufficient in rice. They do want to consider any import from the United States or anyplace else under any conditions, and they are going to continue to subsidize rice in their country because they think it is in the interest of the Japanese politically and economically to take that course of action.

Is that not wonderful for us to sit here and say we have to have free trade, and we have to let the Japanese in on this. The Japanese think far differently, I suggest, than do you as an industrialist and myself as a small businessman and a United States Senator. If we start playing by their ground rules, they are going to skin us alive even more so than they have in the past.

Let me ask you this question. During your many years as Director of Purchasing for the General Motors Corporation, I assume that you have made some purchases and in what amount from the Japanese to build automobiles and the other products that General Motors makes. Did you not?

Dr. COSTELLO. Yes, sir.

Senator EXON. A substantial amount?

Dr. COSTELLO. I will answer you by describing a situation I had with the Japanese. You and I, I hope, are going to get to be good friends, because I did not say just give them the opportunity to buy Fairchild. If they buy Fairchild, I would like to sell them rice, and I want to use the leverage we have in trade to affect them.

I met with the president of one of the largest Japanese steel companies in my office in Detroit. He had been seeing me for some time, trying to sell us steel. By the way, General Motors bought over 99 percent of their steel in the United States while I was there.

I looked the man straight in the eye and I said, you can sell me as much steel as you want to but it is going to be through a U.S. company in which you have brought over to the United States the latest technology in the steel industry that we need. Also, you will have invested heavily in the United States to provide a facility that is comparable to anything in Japan, and then we will buy from that joint venture.

I think we have the same thing in mind, Senator. If we are going to buy something, that gives us some strength, and some leverage, I want to use it effectively and make a quid pro quo, as you would. I hope that makes you more comfortable with my position. I do not want to give anything away. But I will bargain anything, and I am a tough bargainer.

Senator EXON. Do you have any idea of what percentage of the total purchases that General Motors bought from Japanese sources were manufactured in their homeland or outside of the United States?

Dr. COSTELLO. Excluding the products that we bought from the Japanese associates of General Motors, Isuzu, we bought, as I recall the numbers, less than 3 percent of our material offshore. I think that is an outstanding record.

Senator EXON. How much of the purchases by the Japanese automobile industry were purchased from American sources? Less than 3 percent, I presume.

Dr. COSTELLO. Much less than 3 percent, Senator. We did not use our trade effectively.

Senator EXON. What?

Dr. COSTELLO. We did not use our trading power effectively.

Senator EXON. Practically nothing, right?

Dr. COSTELLO. I wanted to establish a unique facility in General Motors in which we had the sales people and the purchasing people in the same office, because I felt if we are going to buy, then we are going to sell. My idea wasn't accepted. I was overruled.

Senator EXON. My time is up. I have one more question. I will wait my turn.

Senator BINGAMAN. We will start a third round. Senator Shelby, did you have any more questions?

Senator SHELBY. Thank you. Dr. Costello, I will be short.

Following up on what Senator Exon was pursuing, General Motors is a large stockholder in Isuzu, is that right?

Dr. COSTELLO. Yes.

Senator SHELBY. What is that, about 25 percent or more?

Dr. COSTELLO. It was over 35 percent.

Senator SHELBY. The major stockholder in that. Now, in the 3 percent Senator Exon alluded to you did not include anything that came through Isuzu, which was partly owned by GM, did you?

Dr. COSTELLO. No, I did not.

Senator SHELBY. Was General Motors, controlling over 30 percent of the stock, able to influence Isuzu a great deal? I would think so.

Dr. COSTELLO. There was an armslength relationship between the two companies.

Senator SHELBY. Armslength.

Dr. COSTELLO. That was the legal description of the activity between the two companies.

Senator SHELBY. For General Motors to have found itself in the position of 30 percent ownership in Isuzu, which I would assume would be by far the largest stockholder in that corporation in Japan, did you have to go through the Japanese Government for that type of transaction?

Dr. COSTELLO. I do not know anything about those transactions.

Senator SHELBY. You do not know.

Dr. COSTELLO. That happened long before I was there.

Senator SHELBY. Could you furnish that to the committee? I would be interested in it.

Dr. COSTELLO. I am not sure whether I can get that data from General Motors. I could ask them.

[The information follows:]

When General Motors acquired its interest in Isuzu Motors Ltd., in 1971, Japanese Government policy prohibited foreign control of a Japanese-based company. Consistent with General Motors intention to comply with the laws of Japan, certain draft agreements were presented to the Japanese Ministry of International Trade and Industry for review by the appropriate government agencies and officials. Purchase by General Motors of its shares in Isuzu was also subject to final approval by the Japanese Foreign Investment Council.

Senator SHELBY. Okay. That is all.

Senator BINGAMAN. Senator Exon.

Senator EXON. One last question, Mr. Costello.

This whole matter of how the Japanese operate and how they reciprocate or how they do not concerns me a great deal. Having said that, I recognize and realize as a Senator from a major agricultural state that the Japanese are our best customer in the whole world so far as agricultural products and food products are concerned. So I appreciate that.

I have the feeling if the Japanese had the land and they had the weather and had the know-how, though, we would be selling them no agricultural products. They would make it all themselves, which gets me back to this major concern that I have with regard to the Fujitsu/Fairchild.

I think you have made probably a pretty good point, in that maybe the transfer for Fairchild to Fujitsu would not have a significant effect on a trend that already has been established, or another way of saying that, maybe the horse has already left the barn and there is nothing we can do about, and there is no use catching the horse's tail in this last situation because it looks like they are going to excel in high tech chips in the future. At this date, maybe there is nothing we can do about it.

Whether that is true or not, let me ask you this question. If the Japanese are the main or sole source of chips could not the United States of America be placed in the position revealing classified information by going to a foreign nation for chips designed for a top secret program vital to the national defense of the United States?

Am I overly concerned about the fact that if they become the main source of the high tech chip industry, we in a sense would be sharing with a foreign government even though a friendly one some of the most closely-held secrets with regard to national defense?

Dr. COSTELLO. I share your concern. I happen to believe that with the appropriate action by the Department of Defense, as we look at the semiconductor industry and define our role to support specific activities that we need, we should be able to work aggressively to establish the U.S. industry again in its broader leadership role. It still has a leadership role in many of the specific kinds of chips. If you ask the industry, you realize that we are leaders in the logic chip.

The area of primary concern right now for the semiconductor industry is the memory chip, and logic soon follows memory, so maybe they are setting a precedent that they will take leadership in the logic chips later on.

I think it would be undue jeopardy to depend solely on a foreign source. We have to establish a role that says if we are even going to entertain that technology, we must demand that we see a plan to bring that here to the United States to do two things: one, obviously to meet our needs for the military; and two, hopefully at the same time to strengthen the commercial industrial base with that new technology as we demand it over here. We have to look at both sides and force the issue.

I have the same concern that you have.

Senator EXON. Thank you, Dr. Costello, and thank you, Mr. Chairman. I appreciate your patience.

Senator BINGAMAN. Thank you, Senator Exon.

Let me say just two things before we conclude the hearing, Dr. Costello, if I could. First, I think the length of the hearing is indicative of the importance that this committee ascribes to your new job, and I think also the comments of the committee members indicate the fact that we are very impressed with your qualifications and have great hopes for your success in that job.

The other point I wanted to make just as clarification since it may appear unusual to some, we will not vote today on your confirmation because we do not have a quorum. As soon as the chairman is able to get a quorum later this week or early next week, I am sure the issue will come up and your confirmation will be voted on.

We will see you a great deal more, both before the full committee and I am sure before many of our subcommittees. As you know, this Defense Industry and Technology Subcommittee that I am going to chair will have some hearings both on the technology base and the industrial base and on the need to improve the transfer of research and technology between the defense base and the civilian sector. We will look forward to hearing from you in those hearings.

Dr. COSTELLO. Thank you very much. Thank you for your time, and I appreciate the time.

[Questions for the hearing record, with answers supplied, follows:]

QUESTIONS SUBMITTED BY SENATOR JEFF BINGAMAN

PRIME CONTRACTOR OVERHEAD CHARGES

Senator BINGAMAN. Dr. Costello, last year the Secretary of Defense testified that a third of our payments to major Defense contractors is going to cover contract overhead. The Secretary stated that it was a serious problem and he was going to try to do something about it.

What progress have we made in this regard?

Dr. COSTELLO. We conducted should cost reviews of plant-wide overhead at five contractor locations in both fiscal years 1985 and 1986. We planned an additional eight should cost reviews for fiscal year 1987. Compensation is the largest cost element in overhead. On April 7, 1986, we substantially strengthened the cost principle on compensation. We have also clarified many other cost principles such as, public relations and advertising, travel costs, entertainment costs and others, to make clear the unallowability of costs in these areas. On March 12, 1985, the Secretary of Defense implemented a requirement that contractors must certify that overhead costs are allowable in accordance with our regulations.

Senator BINGAMAN. What is the proportion of payments to prime contractors currently estimated to go for overhead?

Dr. COSTELLO. Our data indicates that in fiscal year 1985 overhead was running at about 36 percent of total cost and in fiscal year 1986 it fell 35 percent. A one percent change applied to the total cost base equates to about \$1 billion.

Senator BINGAMAN. What can we do about it?

Dr. COSTELLO. We will continue to emphasize Should Cost Overhead reviews, the certification of Indirect Cost initiative and further clarify and strengthen the cost principles.

PACKARD COMMISSION CONCLUSIONS

Senator BINGAMAN. Dr. Costello, the Packard Commission concluded that "requirements for new weapon systems have been overstated. This had led to overstated specifications, which have led to higher cost equipment. Such so-called goldplating has become deeply embedded in our system today."

Dr. Costello, we have a number of very large new start programs in the budget. We have the Advanced Technology Fighter for the Air Force, the Advanced Tactical Aircraft for the Navy, the Light Helicopter for the Army, the V-22 Tiltrotor for the Marine Corps, the SSN-21 Submarine for the Navy, and the C-17 Transport for the Air Force. These six programs alone will cost over \$200 billion.

All of these programs were started several years back during the height of the acquisition problems cited by the Packard Commission. Do you think any of these programs are goldplated? What have you done to assure yourself there is no goldplating of requirements here?

Dr. COSTELLO. While, at this time, I do not have a detailed knowledge of the programs which were started several years ago, I am in the process of becoming acquainted with them as they progress through their Milestone Reviews. In the meantime, I have confidence in the review processes which are in place and in the Defense Acquisition Board (DAB) process for review of programs at the established Milestone Reviews. As a member of the DAB, I intend to actively participate in this decision process. With respect to goldplating, we have put in place an initiative relative to streamlining of applicable specifications and standards on a program by program basis for the purpose of addressing the goldplating issue raised by the Packard Commission. In addition, as an important element of my cost of quality initiative, we are looking at the best ways to scrub system requirements early in the acquisition process in order to avoid "gold plating" in terms of system requirements.

RELATIONSHIP TO MILITARY DEPARTMENTS

Senator BINGAMAN. As I understand it, you report directly to Richard Godwin, the new Under Secretary for Acquisition. When we enacted the statute that established that position last year, we gave the Under Secretary "the authority to direct the Secretaries of the military departments * * * with regard to matters for which [he] has responsibility." This authority is subject to the "authority, direction and control" of the Secretary of Defense and the recent Directive issued by the Secretary provides, and I quote "the USD(A) shall direct the Secretaries of the Military Departments * * * on policy, procedure, and execution of the acquisition system." That's good, but then two paragraphs later, the Directive takes that power back because it says, and again I quote:

"Where agreement on acquisition matters cannot be reached between the USD(A) and the Secretaries of the Military Departments, the matter shall be presented jointly to the Secretary/Deputy Secretary for Defense for resolution."

How can you possibly manage the acquisition system of the Pentagon with this kind of muddle authority at the top?

Dr. COSTELLO. I understand your concern. On the other hand, the authority is not so muddled as some observers seem to believe. In essence, the charter simply notes the right of the Secretaries of the Military Departments to appeal the Under Secretary's decisions to the Secretary of Defense. This appeal process merely embodies the legislative statement that the Under Secretary's authority is subject to the "authority, direction, and control" of the Secretary of Defense.

Real, effective authority derives from practices and customs. The ultimate issue is not whether the Secretaries of the Military Departments can appeal, but how often those appeals are successful, and to what extent they delay the management process. Only time can answer that issue. There is no question in my mind, however, about the Secretary's and the Under Secretary's goal. They clearly intend to implement the reorganization, and to make it effective. I expect the practices and customs that evolve over the next two years to reflect that intention.

RELATING ACQUISITION AND LOGISTICS

Senator BINGAMAN. The ultimate cost of a new weapon system includes not only the system itself, but also the associated logistical and personnel costs of operating the system. What can be done to improve the relationship between acquisition and logistics to ensure that we have better planning and budgeting information in this regard?

Dr. COSTELLO. The life cycle cost of a weapon system does include both the acquisition costs and the logistics costs. As the reliability and maintainability of weapon systems are increased, the logistics costs of the systems are decreased. Thus the objective is to balance the increases in weapon system acquisition cost for increased reliability and maintainability with the resulting decreases in logistics costs to minimize the total cost. Obviously this is not an easy task. I have started an initiative relative to the cost of quality, and in the process of carrying out this initiative these cost trade-offs will be examined. The objective will be to establish improved criteria for use in the design and development process as well as in the Milestone review process to better balance acquisition and logistics cost elements to obtain lower life cycle costs.

COMPETITION IN WEAPONS PROCUREMENT

Senator BINGAMAN. One of the significant trends over the last few years has been the increasing degree of competition in weapons procurement. Is it possible to continue to foster a reasonable degree of competition in light of the tendency to stretch out programs as the defense budget growth slows or levels out? At the resulting low production rates, are you going to have a great deal of difficulty promoting competition during production?

Dr. COSTELLO. Competition can be costly in the production phase since high start-up costs often have to be amortized. In general, stretching out and cutting production quantities will impact the economies of competing major systems. The decision to compete or not compete selected programs can only be made on a case-by-case basis. We have been training program managers in how to plan early for such competition. Our increase in competition seems to show that this has been having a good effect. However, early planning is of limited value if the program is changed significantly and it would be correct to say that difficulties could then result.

MANUFACTURING TECHNOLOGY

Senator BINGAMAN. Mr. Costello, Upgrading our manufacturing technology can provide our defense industries with more efficient production lines, greater quality control, and significantly improve their competitiveness in the world markets. With the possible exception of some of our aerospace industries, however, questions have been raised as to whether we are making sufficient investment in a number of critical areas—machine tools is one area that comes to mind. Are we running the risk that some industries will go out of business entirely, leaving us dependent on foreign sources for critical defense material? If you see a problem in this area, what steps can you take to turn this around? Can you tell us what program the Department of Defense has that attempt to improve our industrial base manufacturing technology?

Dr. COSTELLO. The Department of Defense (DOD) is very concerned about the potential loss of critical United States industries. We could indeed end up being unacceptably dependent upon foreign sources for critical material and processes. DoD is developing a strategy for consistently responding to these challenges. We are also focusing on establishing an "early warning system" which will alert us to the potential of other critical industries being in trouble. We are building these "early warning" indicators into our Defense Industrial Network (DINET) data base.

DOD's principal, directly-funded program for developing advanced manufacturing technology is the Manufacturing Technology Program (ManTech). This program funds the development of advanced manufacturing technology where the results are expected to provide a benefit to DOD but where the private sector is unable or unwilling to make the investment in the time frame necessary to do so. Our current fiscal year 1988-1989 ManTech budget request is about \$170 million per year.

Advanced manufacturing technology is also developed indirectly in other programs within DOD. The procurement contract for almost every new weapon system generally results in some advancement in manufacturing technology, especially in the early phases of the program. Similarly, our other research and development programs also result in advancements in manufacturing technology that eventually find their way to the factory floor.

We need to carefully look at whether our acquisition strategies are providing sufficient incentives to encourage industry to make investments in the next generation of manufacturing technologies and material processes. A recent National Research Council report suggests that a contributing factor to our lack of international industrial competitiveness can be traced to the practice of focusing too much on "product" rather than "process" technologies. DOD must identify methods of providing our contractors incentives for creating the proper balance between products and processes development.

TECHNOLOGY TRANSFER

Senator BINGAMAN. Mr. Costello, for some time I have been concerned that because our major economic rivals, namely our West European and Japanese allies, do not devote the same relative proportion of their GNP to defense they are able to devote a larger share of their GNP to civilian research than we are able to. Where we devote 1.9 percent of our gross national product to civilian research, Japan and West Germany devote 2.6 percent of their gross national products to such research.

Without the maximum possible technology transfer from our defense sector to our civilian sector, we face the risk of falling even further behind our allies in economic terms. I believe that we need to be sure that ideas developed in support of defense systems are used to the maximum extent possible for the benefit of our entire economy. My sense is that we have been moving in recent years in the wrong direction on this issue.

What are your views on technology transfer, and what actions do you intend to pursue to address this issue?

Dr. COSTELLO. Technology Transfer from the defense sector to the commercial sector is a very important matter.

DOD is fully committed to increasing technology transfer through the implementation of the Federal Technology Transfer Act of 1986 and to the President's initiatives on competitiveness.

There is a most impressive history of technology transfer from DOD to the civilian sector, and this has made many important contributions to our economic competitiveness. In that sense, our strong military capabilities represent an asset rather than an impediment. The strong position the United States has achieved in the commercial airline sector is but one example of an area where military developments have favorably influenced a strong commercial capability. In an ongoing area, DOD has a very active \$124M manufacturing technology program, which is specifically designed to address manufacturing of defense material, and also has broad application as well to the commercial sector.

In particular, DOD is moving promptly to implement the provisions of the Federal Technology Transfer Act. This will facilitate access of the civilian sector to the defense laboratory developments. Defense technology has made and is continuing to make many important contributions to our economic competitiveness. We believe that even more can be done and we pledge to work very hard toward that end.

ACQUISITION PROCESS

Senator BINGAMAN. Dr. Costello, as I understand the acquisition organization in the Department of Defense, you are responsible for the production phase of weapon system procurement. The early research and full scale development are someone else's responsibility, and at the Milestone three decision, management responsibility transitions to you. Under this arrangement, one might assume that you inherit the results of everyone else's decisions throughout the development of the system. This would seem to leave you in a potentially troublesome situation.

Do you see a problem here that leaves you in a position of perhaps having too little influence over the production process?

Do you feel that under this arrangement you can implement needed changes that will improve the manufacturing technology for producing defense systems and material?

Dr. COSTELLO. While it is true that management responsibility for weapon systems does transition to my office at Milestone III, I do not see a problem with decisions which are made relative to the system at the earlier Milestones. I am a member of the Defense Acquisition Board (DAB), and as such will play an active role in the decision making process for systems at milestones earlier than the Milestone III decision point in order to assure that appropriate decisions are made in the areas of manufacturing technology for producing the systems. In addition, we will continue to actively pursue our transition to production initiative which requires that early attention is given to production matters.

EVALUATING EFFECTS OF ACQUISITION REFORM

Senator BINGAMAN. In recent years, Congress has legislated extensively in terms of specific acquisition policies. To what extent has the Department been able to implement and evaluate the effect of this legislation?

Dr. COSTELLO. We have implemented or are in the process of implementing all of the acquisition policy legislation that has been enacted over the past several years. In some cases, legislation covering such matters as allowable costs was enacted in a regulatory format resulting in its republication, essentially intact, in the acquisition regulations. On other matters, however, such as rights in technical data, efforts to implement the legislation were complicated by language that lent itself to differing interpretations and subsequent legislation last year making additional changes to the law. The legislative changes have come in such rapid succession that we have not been able to fully evaluate the effect of the legislation or develop an empirical data base to support our concerns; for example, warranties on major systems.

Our policy is to obtain warranties only when they are cost effective. We had no waivers of warranty application on major systems in 1985 and 1986. It can be assumed that all of our applications have been cost effective. However, since most of the equipment under warranty will start to be delivered in the next few years and actual field experience under warranty coverage is still several years away, we will not have accurate data on the actual cost effectiveness of warranties for some time to come. Another matter concerns the use of multiyear contracting. Multiyear contracting on major weapons systems has been very effective in providing long term stability to our programs as well as significant savings to the government when compared to normal annual contracting. Since FY 1982, the Department has had approval for 45 programs which will save an estimated \$7.3 billion. We have submitted nine new candidates for the FY 1988/1989 budget submission. We estimate the savings will be slightly over \$1 billion. We understand that some thought is being given to legislating multiyear goals including projected savings. We believe this to be undesirable and unnecessary. In our view, it is better to examine all candidate programs on a case-by-case basis and select those best suited for a multiyear strategy. Although savings of large proportions (ranging from 10 percent to 20 percent) are desirable prior to initiating a multiyear strategy, a firm requirement to achieve a specified percentage discourages the use of multiyear contracts, as we cannot be certain that we will actually achieve the savings. Further, there are other factors such as program stability which make the use of multiyear contracts desirable even where a commitment cannot be made to a specific percentage of savings.

Efforts to determine the effects of legislation will be made and, if appropriate, we will be coming forward with legislative requests. In many cases, Congress picked up on initiatives of the Department and through legislation made them permanent requirements of statute before sufficient experience with the initiatives had been gained to assess the extent and usefulness of their application. Such matters as spare parts breakout kicked off legislation on technical data rights, competition advocacy, marking of items, small business breakout center representatives, etc. Other examples are full scale development baselining of major systems, limits on contractor tooling, and competitive prototyping. I believe we all would have been better served if these had been applied as management tools to provide experience as to their usefulness. Legislation simply mandates their use and reduces the flexibility of management.

RELATIONSHIP TO DOD/IG

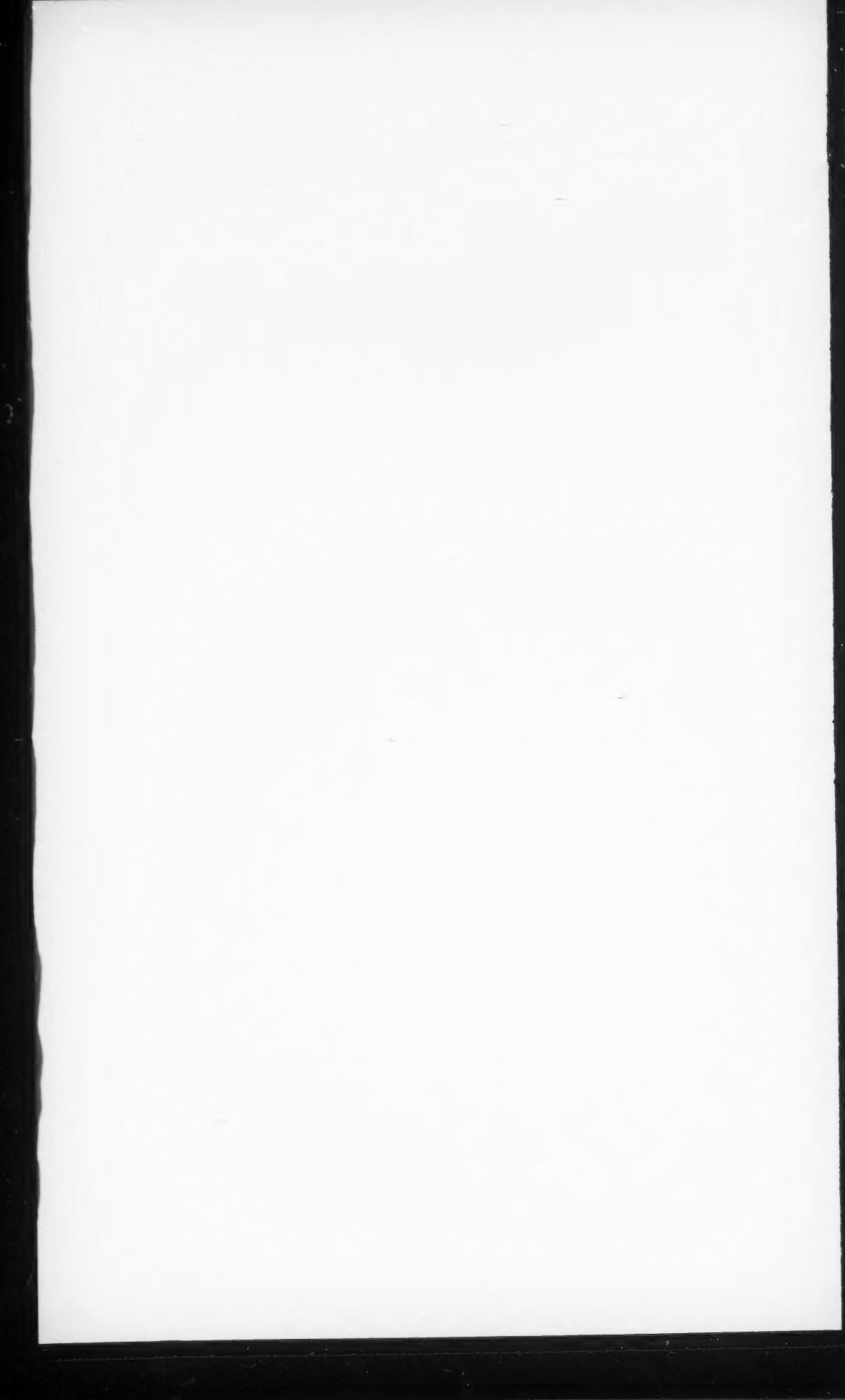
Senator BINGAMAN. The Department of Defense Inspector General has a large staff devoted to investigating problems of fraud, waste, and abuse. What is the relationship between that office and the Assistant Secretary for Acquisition and Logistics in terms of ensuring that "Lessons Learned" from IG investigations are translated into DOD policies?

Dr. COSTELLO. When the Office of the Inspector General does an oversight review, a copy of their report is provided to the Office of the Assistant Secretary of Defense for Acquisition and Logistics. Management recommendations are evaluated and appropriate policy changes are made. The contract audit followup process assures that all audit recommendations are addressed and implemented where appropriate.

Senator BINGAMAN. This hearing is adjourned.

[Whereupon, at 10:50 a.m., the meeting adjourned.]

[The nomination of Robert B. Costello was reported to the Senate by Senator Sam Nunn on March 10, 1987, with the recommendation that the nomination be confirmed. The nomination was confirmed by the Senate on March 11, 1987.]



NOMINATION OF JAMES H. WEBB, JR., TO BE SECRETARY OF THE NAVY

MONDAY, APRIL 6, 1987

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The committee met in open session, pursuant to notice, at 4:36 p.m., in room SR-222, Russell Senate Office Building, Senator Sam Nunn (chairman) presiding.

Present: Senators Nunn, Stennis, Levin, Kennedy, Dixon, Glenn, Gore, Wirth, Shelby, Warner, Thurmond, Cohen, Wilson, Gramm, Symms, and McCain.

Staff present: Arnold L. Punaro, staff director; Carl M. Smith, staff director for the minority; Jeffrey H. Smith, general counsel; Patrick A. Tucker, minority counsel; Marie Fabrizio Dickinson, assistant chief clerk; John J. Hamre, George K. Johnson, Jr., Ronald P. Kelly, James R. Locher III, David S. Lyles, Frederick F.Y. Pang, and Gordon G. Riggle, professional staff members; Russell C. Miller, research assistant; Charles R. Siegismund II, system manager; Lori M. Jackson and Pamela G. Powell, staff assistants.

Also present: Francis J. Sullivan, assistant to Senator Stennis; Jeffrey B. Subko, assistant to Senator Exon; Greg Weaver, assistant to Senator Levin; William J. Lynn, assistant to Senator Kennedy; Charles C. Smith, assistant to Senator Dixon; Phillip P. Upshulte and Milton D. Beach, assistants to Senator Glenn; Leon Fuerth, assistant to Senator Gore; James R. Sayer, assistant to Senator Wirth; Terrence Lynch, assistant to Senator Shelby; William J. Wight, assistant to Senator Warner; Dale F. Gerry, assistant to Senator Cohen; Mark J. Albrecht, assistant to Senator Wilson; Alan Ptak, assistant to Senator Gramm; Samuel J. Routson, assistant to Senator Symms; and Lorne Craner and Patrick A. Putignano, assistant to Senator McCain.

OPENING STATEMENT OF SENATOR SAM NUNN, CHAIRMAN

Chairman NUNN. The committee will come to order. I would like to officially welcome Mr. James H. Webb, Jr. to the Committee on Armed Services this afternoon for, Mr. Webb, your confirmation hearing to be Secretary of the Navy.

I want to also welcome your family. I think they will be more appropriately introduced in a few moments by Senator Glenn. We are delighted to have them here.

I remember that we had a particularly lively hearing when you were confirmed before to a previous position. One of your children

voiced a loud opinion right when you were answering a crucial question, and we thought that was a very timely intervention by one of your family members in defense of daddy. So we are welcoming them back today at an older age.

Jim Webb comes to the position of Secretary of the Navy with an impressive and unique background as a graduate of the Naval Academy with the Marine Corps commission. He served with distinction in Vietnam and returned as a highly decorated combat leader. He also served in the office of two of our colleagues who were Secretaries of Navy, Senator John Chafee and Senator John Warner. Senator Warner, of course, is the ranking member of this committee and will be here in just a few minutes. He is out of town and hurrying back now for this hearing.

After leaving the service, Mr. Webb earned a law degree from Georgetown. Then he authored several acclaimed novels, including the book "Fields of Fire" and "A Sense of Honor." I know that Mr. Webb has met with many members of this committee, and he has committed in writing a pledge to appear and testify before any duly constituted committee of the Senate, as we require of all of our nominees.

His financial disclosure statements have been reviewed by the committee staff director and the general counsel. They have concluded that he does not have any conflict of interest or the appearance of a conflict of interest for the position of Secretary of the Navy.

At this point, without objection, I would like to insert in the record the Senate Armed Services Committee nomination reference form and biographical sketch. Without objection, it will be part of the record.

[The nomination reference of James H. Webb, Jr., follows:]

NOMINATION REFERENCE

AS IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
March 27, 1987.

Ordered, that the following nomination be referred to the Committee on Armed Services:

James H. Webb, Jr., of Virginia, to be Secretary of the Navy, vice John F. Lehman, Jr., resigned.

[The biographical sketch of James H. Webb, Jr., which was transmitted to the committee at the time the nomination was referred follows:]

BIOGRAPHICAL SKETCH OF JAMES H. WEBB, JR.

James Webb, son of a career Air Force officer, was born February 9, 1946, in St. Joseph, Missouri. He graduated from the U.S. Naval Academy in 1968, and was one of 18 in his graduating class to receive the Superintendent's letter of commendation for outstanding leadership contributions. Commissioned in the Marine Corps, he was the honor graduate of his class of 243 members at the Marine Officers Basic School. Ordered immediately to Vietnam, he served with the 1st Battalion, 5th Marine Regiment as a rifle platoon and company commander, earning the Navy Cross, the Silver Star Metal, two Bronze Star medals, and two Purple Hearts.

Mr. Webb earned a J.D. from the Georgetown Law Center in 1975, winning the Horan competition for excellence in legal writing. While a student, he published his first book, "Micronesia and U.S. Pacific Strategy," and conducted a special twelve-

week study for the governor of Guam on U.S. strategy in the Pacific region and its effect on land issues in the Mariana Islands.

Following law school, Mr. Webb's career alternated between periods of writing and government service. As a writer, he has produced the best-selling novels "Fields of Fire" (1978), "A Sense of Honor" (1981) and "A Country Such as This" (1983). In addition, he was the first "visiting writer" at the U.S. Naval Academy (1979). He has traveled worldwide as a journalist for many national magazines and newspapers, covering topics ranging from national defense to the Japanese criminal justice system. He received an Emmy Award from the National Academy of Television Arts and Sciences for his coverage of the U.S. Marines in Beirut for the MacNeil-Lehrer News Hour in 1983.

Mr. Webb's government service includes work as the Assistant Minority Counsel (1977-78) and Minority Counsel (1979-81) for the House Committee on Veterans Affairs, and as the first Assistant Secretary of Defense for Reserve Affairs (1984-87). For his work with veterans Mr. Webb was awarded the 1979 American Legion National Commander's Public Relations Award, and was the first recipient of the Vietnam Veterans Civil Council's Outstanding Veteran Award (1976). For his work as Assistant Secretary of Defense, Mr. Webb was awarded the Department of Defense Distinguished Public Service Medal.

Mr. Webb, his wife, JoAnn, and their children, Amy, Jimmy, Sarah, and Julia, reside in Falls Church, Virginia.

[The Committee on Armed Services requires all individuals nominated from civilian life by the President to positions requiring the advice and consent of the Senate, and certain senior military officers as determined by the committee, to complete a form that details the biographical, financial and other information of the nominee. The form executed by James H. Webb, Jr. in connection with his nomination follows:]

UNITED STATES SENATE
COMMITTEE ON ARMED SERVICES

Room SR-222

Washington, D.C. 20510-6050

(202) 224-3871

COMMITTEE ON ARMED SERVICES FORM

BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Complete all requested information. If more space is needed, use an additional sheet and cite the part of the form and the question number (i.e. A-9, B-4) to which the continuation of your answer applies.

PART A—BIOGRAPHICAL INFORMATION

INSTRUCTIONS TO THE NOMINEE: Biographical information furnished in this part of the form will be made available in Committee offices for public inspection prior to the hearing and will also be published in any hearing record as well as made available to the public.

1. NAME: (Include any former names used.)

James Henry Webb, Jr.

2. Position to which nominated:

Secretary of the Navy.

3. Date of nomination:

February 17, 1987.

4. Address: (List current place of residence and office addresses.)

Home: 6422 Waterway Drive, Falls Church, Va. 22044.

Business: Room 3E326, Pentagon.

5. Date and place of birth:

February 9, 1946, St. Joseph, Missouri.

6. Marital Status: (Include maiden name of wife or husband's name.)

Married to JoAnn Krukar Webb.

7. Names and ages of children:

Amy Lorraine Webb, August 14, 1970.

James Robert Webb, March 9, 1982.

Sarah Catherine Webb, June 28, 1983.

Julia Anne Webb, July 29, 1985.

8. Education: List secondary and higher education institutions, dates attended, degree received and date degree granted.

University of Southern California, 1963-1964.

U.S. Naval Academy, B.S. (Engineering), 1968.

Georgetown University Law Center, J.D., 1975.

9. Employment record: List all jobs held since college or in the last 10 years, whichever is less, including the title or description of job, name of employer, location of work, and dates of employment.

Prior to March 1977: Full-time writing (Fields of Fire).

March 1977-January 1979: Assistant Minority Counsel, Committee on Veterans Affairs, House of Representatives.

January-June 1979: Visiting Writer and Professor of English, U.S. Naval Academy.

June-November 1979: Full-time writing (A Sense of Honor).

November 1979-July 1981: Minority Counsel, Committee on Veterans Affairs, House of Representatives.

July 1981-February 1984: Full-time writing and journalism (A Country Such As This, numerous magazine, newspaper and television stories).

February 1984-Present: Department of Defense. Consultant (2 months), Assistant Secretary of Defense (Reserve Affairs).

10. Government experience: List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above.

Member, President's Commission on Voluntarism, 1982-1984.

National Advisory Committee, Vietnam Veterans Leadership Program, 1981-1984.

11. Business relationships: List all positions currently held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution.

Associate, Gannett Center for Media Studies.

12. Memberships: List all memberships and offices currently held in professional, fraternal, scholarly, civic, business, charitable and other organizations.

Life member, Disabled American Veterans.

Life member, First Marine Division Association.

Member, Cosmos Club.

Member, Council on Foreign Relations.

Member, Retired Officers Association.

13. Political affiliations and activities:

(a) List all offices with a political party which you have held or any public office for which you have been a candidate.

None.

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 5 years.

None.

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$100 or more for the past 5 years.

None.

14. Honors and Awards: List all scholarships, fellowships, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements.

A. Military:

NROTC Scholarship, University of Southern California.

Superintendent's Letter of Commendation for Outstanding Leadership Contributions upon graduation from U.S. Naval Academy.

Honor Graduate, Marine Officers Basic School. Also received Military Skills Award.

Military Awards: Navy Cross, Silver Star Medal, Bronze Star Medal (2), Purple Heart (2), Navy Achievement Medal, Combat Action Ribbon.

Selected for Captain a year early.

Georgetown Law Center: Winner, Horan competition for excellence in legal writing.

Community:

Vietnam Veterans Civic Council's first recipient of annual Outstanding Veteran Award, 1976 (one given annually).

Recipient, American Legion's National Commander's Public Relations Award, 1979 (one given annually.)

Writing/Reporting:

Finalist, Hemingway award for outstanding first novels, 1978 ("Fields of Fire").

Finalist, Penney/Columbia Journalism award for outstanding feature magazine article, 1979 ("Women Can't Fight").

Recipient, Emmy Award from National Association of Television Broadcasters and Producers for coverage of Marines in Beirut for MacNeill-Lehrer News Hour, 1984.

Defense: Recipient, DOD Distinguished Public Service Medal, 1987.

15. **Published writings:** List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.

I am prepared to discuss the Committee's needs in this matter, as the list is quite long.

16. **Speeches:** Provide the Committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated.

Same as above.

17. **Selection:**

(a) Do you know why you were chosen for this nomination by the President?

I would not presume to explain the President's motivations with respect to my nomination.

(b) What do you believe in your background or employment experience affirmatively qualifies you for this particular appointment?

See items 9, 10, and 14, above.

18. **Commitment to Testify Before Senate Committees:** Do you agree, if confirmed, to respond to requests to appear and testify before any duly constituted committee of the Senate?

I do so agree.

COMMITTEE ON ARMED SERVICES FORM

FINANCIAL AND OTHER INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Information furnished in Parts B through F will be retained in the Committee's executive files and will not be made available to the public unless specifically directed by the Committee.

NAME: James H. Webb, Jr.

PART B—FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all business connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

—[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Has anybody made a commitment to employ your services in any capacity after you leave government service?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Is your spouse employed and, if so, where?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART C—POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients or customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Describe any business relationships, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.)

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Do you agree to provide to the Committee any written opinions provided by the General Counsel of the agency to which you are nominated and by the Attorney General's office concerning potential conflicts of interest or any legal impediments to your serving in this position?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART D—LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Have you ever been investigated, arrested, charged or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county

or municipal law, regulation or ordinance, other than a minor traffic offense? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Have you or any business of which you are or were an officer ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you ever been convicted (including a plea of guilty or nolo contendere) of any criminal violation other than a minor traffic offense?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART E—FOREIGN AFFILIATIONS

1. Have you or your spouse ever represented in any capacity (e.g., employee, attorney, business, or political adviser or consultant), with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. If you or your spouse has ever been formally associated with a law, accounting, public relations firm or other service organization, have any of your or your spouse's associates represented, in any capacity, with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. During the past ten years have you or your spouse received any compensation from, or been involved in any financial or business transactions with, a foreign government or an entity controlled by a foreign government? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you or your spouse ever registered under the foreign Agents Registration Act? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART F—FINANCIAL DATA

All information requested under this heading must be provided for yourself, your spouse, and your dependents.

1. Describe the terms of any beneficial trust or blind trust of which you, your spouse, or your dependents may be a beneficiary. In the case of a blind trust, provide the name of the trustee(s) and a copy of the trust agreement.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Provide a description of any fiduciary responsibility or power of attorney which you hold for or on behalf of any other person.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, executory contracts and other future benefits which you expect to derive from current or previous business relationships, professional services and firm memberships, employers, clients and customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you filed a Federal income tax return for each of the past 10 years? If not, please explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Have your taxes always been paid on time?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Were all your taxes, Federal, State, and local, current (filed and paid) as of the date of your nomination?

[Note: Nominee responded and the information is contained in the committee's executive files.]

7. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

[Note: Nominee responded and the information is contained in the committee's executive files.]

8. Have any tax liens, either Federal, State, or local, been filed against you or against any real property or personal property which you own either individually, jointly, or in partnership?

[Note: Nominee responded and the information is contained in the committee's executive files.]

(The committee may require that copies of your Federal income tax returns be provided to the committee. These documents will be made available only to Senators and the staff designated by the Chairman. They will not be available for public inspection.)

SIGNATURE AND DATE

I hereby state that I have read and signed the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

JAMES H. WEBB.

This 2nd day of March, 1987.

Chairman NUNN. Mr. Webb takes over the helm of the Department of the Navy at a very challenging juncture assuming this confirmation is approved by both the committee and the Senate. I assume that this afternoon.

I think there will be a number of challenges you will face, Mr. Webb, as Secretary of the Navy. I am sure you are very familiar with them. Many more questions than I will pose today. But just a few of them will be on the minds of our committee.

Can a 600-ship Navy be manned, supported and sustained in an era of fiscal restraint, which we are definitely in now? What are the critical priorities at lower levels of resources? For example, the Navy has proposed serious stretchouts of Navy combat aircraft. A third of all Navy combat aircraft in last year's 5-year plan were cut by the Navy from the budget. That is before it got to the Hill. We may have more of that, or at least pressures for that, in the future here on the Hill. These stretchouts pose a serious challenge for the combat capabilities of the fleet in the future years.

The Department of Defense and the Congress will face some very tough choices in the next few years. In my judgment, we are going to have to cancel some programs that we may not want to cancel if we are going to have enough dollars to put on the existing production lines that remain to make them efficient production lines with effective per unit costs.

In addition to the budget challenges, the Navy, of course, faces serious problems in the personnel area. The Department of the Navy has been rocked by the Walker cases, the Pollard case, and

the recent Marine security guard case. I know Senator Glenn, as chairman of the Manpower Subcommittee, and Senator Wilson, as the ranking Republican Member, will be looking into all of those areas. They have already started on that. We had a hearing on the Marine security problems with the Intelligence Committee. We will continue to work jointly with the Intelligence Committee on that matter.

In addition, we have had a recent flap over the promotion board with your predecessor. That has created some concern in the fleet and the uniform Navy about the selection process and the promotion process itself. Of course, all of us know that that is something of great importance to the morale of the people in uniform who believe that those selections are and must be based on merit. Of course, that certainly is the view of those of us on this committee.

You also have problems that are very prevalent throughout the services, but more prevalent in the Navy, of long time and long term family separations. Lengthy family separations certainly are of concern throughout the Navy, and especially so for people on submarines. Of course, for the Navy itself, these kind of lengthy tours are essential for readiness, but they create special challenges, and particularly special challenges for families. I note your own experience in combat will serve you well in that regard. Of course, you have that combination of closeness to family and previous military experience will give you sensitivity in that area.

At this point I would like to insert in the record a letter I received from Senator Mikulski, expressing her concern about Mr. Webb's attitude toward women in the Armed Forces and at the Service Academy. We will be posing several questions which she has submitted. I know that there will be Members of the committee who will also have questions in that area.

[The letter from Senator Mikulski follows:]

UNITED STATES SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Washington, DC, March 17, 1987.

Senator SAM NUNN,
Chairman, Armed Services Committee, Senate Russell Office Bldg., Washington, DC.

DEAR MR. CHAIRMAN: I write today about the expected nomination of James H. Webb, Jr. to replace John F. Lehman as Secretary of the Navy. Specifically, I am concerned about Mr. Webb's attitude regarding women in the military services. I ask that his views be thoroughly explored in your committee's confirmation hearings if he is nominated.

These views were outlined in an article Mr. Webb wrote entitled "Women Can't Fight" that appeared in Washingtonian magazine in 1979. They raise serious questions regarding Mr. Webb's suitability to serve as the Secretary of the Navy. The following are some excerpts:

The presence of women at the Naval Academy in Annapolis is "poisoning the preparation of men for combat command."

Bancroft Hall at the Naval Academy is "a horny woman's dream."

In 1975 Congress passed PL 94-106 giving women the right to enroll in our Nation's service academies. Unless he has changed his mind in the interim, it is quite clear that Mr. Webb does not agree with this policy.

Following the publication of Mr. Webb's article, Rear Admiral William P. Lawrence, superintendent of the U.S. Naval Academy from 1978-1981, responded with a letter of his own. Some excerpts follow:

"The quality of the Naval Academy program has not been degraded at all by the introduction of women."

"There are no discernable differences between men's and women's performance in any area of the Academy's program."

"The women midshipmen are performing effectively in leadership roles and will make a significant contribution to the officer corps of the Navy."

As Chairman of the Armed Services Committee, you know the important contribution women are making in the military today. Mr. Webb's statements suggest contempt for that contribution and for the underlying policy of equality that makes it possible. To have a Secretary of the Navy who holds these views would only undermine the progress made to date by women in the military.

I strongly urge you to investigate thoroughly Mr. Webb's views on this issue and to assess whether such views would preclude him from providing leadership that the men *and women* of the Navy have the right to expect from their Secretary. I think it would be appropriate that you convey to the Democratic Caucus what Mr. Webb has to say for himself regarding this matter.

Sincerely,

BARBARA A. MIKULSKI,
U.S. Senate.

Chairman NUNN. Before turning it over to my colleagues and to you, Senator Glenn, to introduce our nominee, let me mention one aspect of the Goldwater/Nichols Reorganization bill which I think is very important. We are going to continue to emphasize it. That is, this Act specifically requires the Secretaries of our services to raise, train, and equip their services to support the unified commanders. That is, those leaders in the field that command the forces on a unified basis, not regarding one service.

Too frequently in the past the services have pursued their own agendas. One of the central objectives of the Reorganization Act was to get the services to support the unified commanders in the field. That is what the law says, and we will be asking a lot of questions over the next few months, and even years, in that regard.

I know that Senator Warner will want to make a statement when he comes. But I will summarize my statement by saying, Mr. Webb, we know you come with a great deal of qualification and background. I have every expectation that your nomination will be favorably received by the Senate and this committee. We will have a lot of questions before we get to that juncture, but I congratulate you on having been sent forward by the President. We look forward to your testimony this afternoon and the answers to the questions we will pose.

Senator Glenn is one of our most valuable members of this committee. He heads up the Manpower and Personnel Subcommittee, as well as making contributions throughout the whole spectrum of our committee activity.

Senator Glenn, I know you are going to have a few words of introduction. So we welcome you on behalf of the nominee.

Senator THURMOND. Mr. Chairman?

Chairman NUNN. Senator Thurmond, would you like to be heard?

Senator THURMOND. Mr. Chairman, I would like to add my welcome to Mr. Webb and his fine family.

He did an outstanding job as the Assistant Secretary of Defense for Reserve Affairs. I am confident he will do equally well as Secretary of the Navy.

Mr. Webb, you have an outstanding record as an officer in the Marine Corps and an author, and as a member of the administration. It is a pleasure to have you here today as President Reagan's nominee to be Secretary of the Navy.

Unfortunately, you are being called upon to serve in an era of decline in defense spending. The decisions that will have to be made will be difficult because the funding will not be there. I do, however, look forward to working with you, and I want you to know that my door is open always to you. I just want to say that you have served in combat and you served in other positions in an administrative capacity. I think you are exceedingly well qualified.

Thank you, Mr. Chairman.

Chairman NUNN. Thank you very much, Senator Thurmond.

Would any other members like to make opening statements?

Senator DIXON. Mr. Chairman, I would like to put a short statement in the record.

Chairman NUNN. Without objection.

[The opening statement of Senator Dixon follows:]

PREPARED STATEMENT BY SENATOR ALAN J. DIXON

Mr. Chairman, the committee is meeting today to consider and act on the nomination of James H. Webb, Jr. to be Secretary of the Navy.

Mr. Webb came before this committee 3 years ago after being nominated by the President to be Assistant Secretary of Defense for Reserve Affairs. I voted in committee and on the floor of the Senate to confirm Mr. Webb although I had some reservations concerning Mr. Webb's views on women attending the military academies. However, during Mr. Webb's 3 years as the Assistant Secretary for Reserve Affairs he has proven to me that he is an excellent and dedicated public official. I feel he will do just as good a job as Secretary of the Navy.

Mr. Chairman, I will support the nomination of Mr. Webb.

Thank you, Mr. Chairman.

Chairman NUNN. Senator Stennis, would you like to be heard?

Senator STENNIS. I'll have some questions.

Chairman NUNN. All right. Senator Wilson.

Senator WILSON. Mr. Chairman, not to unduly delay the proceedings, but I commend the President for what I think is an outstanding nomination.

As has been said, the designee is hardly a stranger to this committee. His work as the Assistant Secretary for Reserve Affairs I think has vindicated those who early on thought that his record of gallantry in combat and his literate defense of his own principles would make him a very eloquent spokesman and an eloquent and efficient administrator. I think the record in office has vindicated that judgment.

I am very pleased to see him graduate to this still greater responsibility and look forward to working with him. Your observation that Chairman Glenn and I will have even more to do with him in the future in terms of some personnel matters I think is quite true. I just want to say that I look forward to working with him. I think he is an outstanding candidate. That may diminish the suspense as to what my book will be, but so be it.

Chairman NUNN. Senator Cohen or Senator Shelby.

Senator SHELBY. Mr. Chairman, I just want to say that I believe that Secretary Webb will be eminently qualified for the job. I know him, I've worked with him when he worked on the House Veterans Affairs Committee. I met with him prior to today's hearing in my office. And I believe he will be a great Secretary of the Navy. I believe that feeling is mutual around here.

Chairman NUNN. Thank you, Senator Shelby.

Senator Cohen.

Senator COHEN. Just so we won't have my non-statement be registered in any way as an indication of how I intend to vote, Mr. Webb, I want to welcome you here as well.

I have certainly looked at your background extensively. I know that you have generated some controversy with some of your writings. They will no doubt be explored a bit today.

I would say that two of the books you have written perhaps will typify your relationship with this committee and this Congress. You will, from time to time, upon your confirmation, find that you are confronted with fields of fire. I'm sure that you can survive them, as you have in the past.

And second, from what I've read of your background, you will bring, as you have in the past to both your personal and your professional life, a sense of honor. I look forward to having a chance to explore some of the issues with you.

Chairman NUNN. Senator Glenn, you don't get recognized as quickly on that side of the table as you do over here. You waited patiently, and it's your show at this point.

Senator GLENN. Thank you, Mr. Chairman.

It is both an honor and a privilege for me to introduce Mr. James H. Webb, Jr. He has been nominated by the President to be the 66th Secretary of the U.S. Navy.

As you know, Mr. Chairman, Jim Webb really needs no formal introduction to this committee, having appeared before us several times while serving as the first Assistant Secretary of Defense for Reserve Affairs.

However, before we proceed, Mr. Chairman, I would like to introduce to the committee Jim's lovely wife, JoAnn. I think she is behind us. Would you stand up please?

Chairman NUNN. We're glad to have you, JoAnn.

Senator GLENN. One of Jim's four children, Amy. Amy, would you stand up please? And JoAnn's sister, Donna Woody is with us today.

Chairman NUNN. Glad to have all of you here.

Senator GLENN. Mr. Chairman, this country is indeed most fortunate to have men of the calibre of Jim Webb who are willing to serve in the Government in such a responsible position. In fact, a review of Jim's professional career indicates he has dedicated most of his adult life to service to this country.

One issue that has been brought up here today that troubles me a little bit, and it has been brought to my attention in fact just a few hours ago; a 1979 magazine article in which Jim made several controversial statements regarding women in the military services. I have not read that article completely, but I do not know if Jim feels the statements attributed to him are accurate or whether they are an accurate reflection of his views today. I don't share some of those views if they are true. But the committee staff has gone through these with him and have discussed them in detail, as I understand it. And I know the committee will and should examine this issue, as many others, in its confirmation proceedings.

Overall, Mr. Chairman, I believe that Jim is superbly qualified to be Secretary of the Navy, given that he has repeatedly demonstrated enormous talent and exceptional leadership ability. His accom-

plishments include being a much decorated Marine officer during the Vietnam war, the minority counsel for the House Veterans Affairs Committee, an award winning novelist, and an Assistant Secretary of Defense for Reserve Affairs.

Mr. Chairman, Jim was no late bloomer. When he graduated from the U.S. Naval Academy in 1968, he was one of only 18 graduates out of his class of 841 midshipmen to be awarded the Superintendent's Letter of Commendation for Outstanding Leadership Contributions. Commissioned in the Marine Corps, he was the honor graduate of his class of 243 members at the Marine Officer's Basic School.

After Basic School, he was immediately assigned to Vietnam, where he served as a rifle platoon and company commander. In Vietnam he was one of the Marine Corps' most highly decorated marines, receiving the Navy Cross, the Silver Star, two Bronze Star medals for valor, and two Purple Hearts.

Mr. Chairman, as you know, the Navy Cross is second only to the Congressional Medal of Honor in recognizing valor in combat.

Although I know Jim would be very reluctant to talk about what he did to earn the Navy Cross, I believe it would be useful to take just a minute to briefly describe the circumstances that led to that award in order to give the committee and the guests here today some insight as to the personal character of Jim Webb.

On the 10th of July, 1969, Jim was leading his platoon on a combat patrol when the platoon suddenly became involved in a major fire fight with the enemy. The Vietnamese were attacking from bunkers and spiderholes, using hand grenades and automatic weapons. When an enemy grenade landed dangerously close to a companion, First Lieutenant Webb immediately pushed the marine away from the grenade and shielded him from the explosion with his own body. Although he sustained serious fragmentation wounds, Lieutenant Webb continued to lead his platoon until the enemy was defeated. For this heroic, unselfish action, he was awarded both the Navy Cross and the first of his two Purple Hearts.

Leaving the Marine Corps after the war, primarily because of the wounds he had suffered, Jim entered Georgetown Law Center and ultimately received his law degree in 1975. It was during law school that he began writing seriously, and there completed his first book, "Micronesia and U.S. Pacific Strategy." Jim published his first novel, "Fields of Fire", a best selling, and I would say classic novel of the Vietnam war, in 1978. "Fields of Fire" was nominated for a Pulitzer Prize and was a finalist in the Hemingway Competition for Outstanding First Novels.

I would add at this point that a staff member of mine had read that book, gave it to me, and I had it at home on the coffee table and it had been there for a month or so. One evening I picked it up, started into it, and along about 8 or 9 in the evening I couldn't put it down. It was one of the few books in a long time I read straight through without a break, and went back and re-read parts of it until about 3 or 4 in the morning. It was that fascinating.

His second book, "A Sense of Honor," a story about the Naval Academy, was published in 1981. His latest novel, "A Country Such As This," the saga of America during the years 1951 to 1976, was

published in 1983. It too was nominated for a Pulitzer Prize, and also for the PEN Faulkner Award. During this same period, Jim began his Government service as a civilian. He worked as both assistant minority counsel and as minority counsel for the House Veterans Affairs Committee.

In 1979 he became the first visiting writer at the Naval Academy, where he taught literature and lectured frequently on leadership and the role of the military in U.S. society. Following his stint at Annapolis, Jim served in the Pentagon as the first Assistant Secretary of Defense for Reserve Affairs from 1984 to early 1987. He just left that position in February.

Obviously, Mr. Chairman, Jim Webb has clearly demonstrated the ability to meet and conquer a variety of challenges. However, as Secretary of the Navy, the Secretary for both the Navy and the Marine Corps, he may well face one of his toughest assignments.

As this committee is well aware, the Navy is in the midst of expanding to 600 ships, introducing new and sophisticated equipment and opening new bases. In a period of lower defense budgets, the Department of the Navy's major challenge will be to maintain the current high combat readiness of both the Navy and the Marine Corps, while finding the resources to continue the modernization program.

Once again, I believe Jim will be equal to the challenge. But, Mr. Chairman, I must express one notable concern. I understand from Jim's dad, James Webb, Sr., who is a retired Air Force officer, that he strongly supports Jim's efforts to be Secretary of the Navy. The problem here is that for the first time, Jim Sr. finally agrees with what Jim Jr. wants to do.

When Jim wanted to join the Marine Corps, his dad was against it, urging Jim to join a service that wasn't required to live on the ground and fight from ditches. When Jim wanted to be a lawyer, his dad reminded him that lawyers were a dime a dozen; why didn't Jim pursue a real career? When Jim wanted to be a novelist, his dad warned him that most writers ended up penniless and hungry, that surely he could find a more promising career.

The fact that Jim's dad finally agrees with a major decision his son had made has prompted his dad to warn him that he had better approach this latest endeavor with extreme caution.

Mr. Chairman, for once I believe Jim will follow his dad's advice, and I believe he will make a superb Secretary of the Navy.

Thank you.

Chairman NUNN. Mr. Webb, we would be delighted to hear from you.

Thank you very much, Senator Glenn.

STATEMENT OF JAMES H. WEBB, JR., NOMINEE FOR SECRETARY OF THE NAVY

Mr. WEBB. Thank you, Mr. Chairman. Thank you also for your leadership on this committee over the years. Thank you, Senator Glenn, for your introductory remarks. I believe you are truly one of the great living Americans today. You should also be forewarned because what the committee doesn't know is that my father was a pioneer in the Atlas Program. When Senator Glenn orbited the

Earth he went around in an Atlas. My father has admired Senator Glenn ever since. So you are in the same box I am, I guess.

Mr. Chairman, I am gratified to have been nominated by the President to be Secretary of the Navy. I offer you no sweeping agenda. I am fully aware of the problems that we will face in the coming years.

I want you to know that I am committed to the continued rebuilding of our naval forces in the aftermath of what was a decade of serious neglect. There is nothing magical about a 600-ship Navy, except to recall that 20 years ago we had a 1,000-ship Navy, and that our interests and alliances have, if anything, become more and not less dependent on seapower.

We are a maritime Nation. Our strategic interests have been relatively constant over the decades, dictated by our insular position and the location of our international commitments and commercial interests. We have no choice but to maintain naval superiority as the critical function in a strategically balanced world.

I am mindful of the varied uses of our naval forces. The nuclear umbrella under which we all must exist. The Navy operates 50 percent of our country's ballistic missile launchers at only 25 percent of the DOD's strategic funding costs. The operating fleet itself, with the carrier battle group as its central features, the fleets connect our Nation to its allies and its trading partners. Our fleets are the tangible evidence that United States national interests will be protected. This requires a credible seapower presence versus merely a force in being. I would point out that last year our naval ships visited more than 100 countries around the world.

The ability to transition immediately from maritime operations to power projection is the essence of seapower. This requires forward operations and the ability to sustain our forces once the operational tempo increases.

Underneath the sea, since the principal vulnerability of a maritime nation is the interdiction of its maritime forces by any enemy submarines, and since the best anti-submarine weapon is another submarine, our Navy operates the most sophisticated attack submarines in the world, in concert with other ASW platforms.

Ashore, the Marine Corps is, in my opinion, the finest ground combat force man-for-man in the world. A point of reference, at 200,000 people, the United States Marine Corps is 40,000 men larger than the entire British Army. At the same time, it has only one-fifth of the general officers that the British Army has.

The Marine Corps offers the only completely homogeneous tactical package in our arsenal, from the individual rifleman to artillery, helicopter, and fixed wing close air support.

With respect to the use of naval forces, I am mindful of their inherent strategic advantage in an era of constrained resources and uncertain political environments. We operate out of what classical strategists call an "interior position" with highly mobile forces. These forces are positioned at sea, with the ability to react immediately in a wide variety of directions, and are the most advantageous military assets in an era of political uncertainty, fiscal restraints and manpower drawdowns.

They also provide the advantage in that there is no necessity to engage in expensive basing arrangements other than to support

our logistical needs. And contrary to situations where we must base land forces in potentially hostile areas, there is a reduced danger, obviously, of being drawn into local conflicts, except on our own terms.

I would say finally, Mr. Chairman, that our country gets a very good deal from these forces. On the strategic side, as I mentioned, the Navy provides 50 percent of our ballistic missile capability, 25 percent of DOD funding in that area. On the operating side, we will soon have 600 ships operating at a very demanding but rewarding tempo, performing essentially the same tasks that more than 900 ships accomplished when I was first commissioned *more than 20 years ago*.

On the ground the Marine Corps is providing the finest, most versatile combat units in the world today, replete with fixed wing close air support. In the aggregate, it is undeniable that they are the hardest working people in uniform today. They are constantly operational. They are away from their families far longer every year than their Air Force and Army counterparts. Their officer-to-enlisted ratios are the lowest in the Department. Their flag officer percentages also are the lowest.

I will be honored and privileged, with the consent of the Senate, to assume the responsibilities and carry out the tasks of Secretary of the Navy. I am prepared to answer your questions.

Chairman NUNN. Thank you very much, Mr. Webb.

I am going to ask that the clerk keep up with the 6 minute rule, inform each Senator when the 6 minutes has expired. We will rotate it as we do according to the procedure.

Mr. Webb, the Department of Defense is currently conducting an investigation of alleged—and I stress that word—alleged manipulation by the Secretary of the Navy of the promotion process with regard to recent selections to the captain grade. We have an ongoing investigation. I am not going to get into details or ask you any questions about that investigation. But I will pose a few questions about your view, as far as your role is concerned.

What do you see your role to be as Secretary of the Navy in the promotion process?

Mr. WEBB. I would answer that in general terms, and then specifically with respect to some of the perceptions in the Navy worker communities today, Mr. Chairman.

First of all, the law provides that the Secretary of the Navy is responsible for and has the authority necessary to conduct all affairs of the Department of the Navy. This includes setting down the guidelines for the promotion process.

Specifically, there appears, from the time that I have been visiting with individuals and observing in the Department of the Navy over the last month, there appears to be a perception among some that there is an imbalance of promotional opportunity in some warfare communities. I don't know whether this perception is accurate or not.

But the way that I would approach the problem as Secretary of the Navy, and I would propose to do it immediately, is to bring the leaders of the different warfare communities to the table with the Chief of Naval Operations, the Vice Chief, the General Counsel, the Judge Advocate General and the Under Secretary, and to discuss

whether or not these perceptions, an imbalance in promotional opportunities are real or simply misperceptions.

And to reach agreement among the leadership in the Navy Department as to either the fact that this is simply a misperception, or corrective measures if it is true. My perception at this point, to be honest with you, is that it is simply a misperception.

And then to take that—

Chairman NUNN. Do you know that because of your own knowledge, or is that a guess on your part? Have you been part of the investigation?

Mr. WEBB. I have not, in any way, participated in either the investigation or the promotion process. This is simply from my attempt to educate myself on this issue, knowing that it was of concern to the committee.

After doing that, the most important thing to do would be to translate guidelines into written precepts and to deliver those precepts to future promotion boards. And at the same time, to go out with the Chief of Naval Operations to the Navy to calm people down on this issue. The promotion process must be sacrosanct.

Chairman NUNN. How widespread is the concern on this issue in the uniform Navy now?

Mr. WEBB. I could not answer that with any real validity.

Chairman NUNN. Do you consider this a serious problem at this point that requires your attention immediately when you get in?

Mr. WEBB. I do. I believe, because of what has happened over the last couple of months particularly, that there are a lot of people who need to be reassured. The way to do that is on a factual basis with the participation of the uniform side.

Chairman NUNN. I assume you would agree that it is critical that the people in military uniform believe in the integrity and the objectivity of the selection process.

Mr. WEBB. I absolutely agree. And particularly from having grown up inside the military and watched how important that process is.

Chairman NUNN. So you are not pronouncing any judgment based on any personal investigation you have done on that subject?

Mr. WEBB. Not at all, Mr. Chairman. As I said, I have made an attempt to educate myself on this issue, knowing that it was of concern to the committee.

Chairman NUNN. Mr. Webb, in 1979, you wrote an article that appeared in the Washingtonian magazine entitled "Women Can't Fight." You will recall that this article was the subject of some discussion at the confirmation hearing for your position as Assistant Secretary of Defense for Reserve Affairs. As I mentioned in my opening statement, Senator Mikulski wrote to me a letter expressing her concerns about this article and about your general attitude toward women in the military.

I would like to pose a couple of questions to you in that regard. Would you please state your views as they exist today about women in the service academies in particular, and the women's role in the military in general?

Mr. WEBB. With respect to females at the service academies, I believe the question is no longer whether they should be admitted

but how best to train males and females in a sexually mixed environment, and how best to utilize their skills upon graduation.

The political question has been settled. It has, quite frankly, changed the historic missions of the service academies. I accept that, and I am committed to carrying out the letter and the spirit of the law.

With respect to women in the military in general, I would say first of all that we have a great need to utilize all of our people assets, male and female, and to utilize them in skills and units that are most suitable to the needs of the service. I would remind the committee that our military has advanced further in the last 13 years on this issue than any other system has in the past 2,000 years.

When that occurs, it is not going to be without turbulence. But my views on women in non-combat roles have always been that we should assimilate accordance to skill and the unit as much as we can. They are directly compatible with those of the President and with those of Secretary Weinberger.

To the extent that the issue involves opening up so-called non-traditional career paths, I am fully supportive. I would say to the many talented females in the naval service that their contributions are both valuable and appreciated. To the extent that it calls for placing women in combat roles, I am absolutely opposed.

Chairman NUNN. I'll have other questions. I am sure other Senators may want to touch on that in other questions. But my time is expired.

The next Senator to be recognized is the distinguished Senator from South Carolina, Senator Thurmond.

Senator THURMOND. Thank you, Mr. Chairman.

Mr. Webb, in the past you have written about the value of national service to our Nation. I agree with you on philosophical grounds and on those of practicality. Would you outline for us your personal views on national service?

Mr. WEBB. Yes, Senator. I have always believed that national service is of value, not only to the military but to the individual citizen. This places me philosophically, I suppose, in opposition to the administration. I must say that on practical terms, that does not conflict with the carrying out of my responsibilities according to the desires of the President.

But on a personal basis, I believe that is why every country in Europe, except for the British, employs conscription. Excuse me; except for the British and Luxembourg, which has a 760 person military. Even the Swedes, who have a very small military system, employ conscription because of the signal that it sends to the individual young people who are their citizens.

So I believe that particularly in a multi-cultural society, the cross fertilization that you get when you meet people from other areas of your society that you normally wouldn't have met, the understanding that you get when you are working with them, the strength that the typical individual receives from learning to lead at a young age, all of those are quite beneficial.

Senator THURMOND. Mr. Webb, as we enter an era in which the available manpower pool shrinks, how will the Navy be able to meet its manpower needs?

Mr. WEBB. We don't see at this point, speaking for the naval services and in my involvement on the Defense Resources Board, that the goals that have been set up will not be met.

Senator THURMOND. That's all Mr. Chairman.

Chairman NUNN. Thank you very much, Senator Thurmond. We next recognize Senator Stennis.

Senator STENNIS. Mr Chairman, I'm very much impressed with this gentleman's record. He has achieved a great deal with his preparation and experiences. I can say to him, in my opinion, that I believe he is going to need it.

Background, foundations, principles; you evidently have those. You will have a lot of fine associates, and that will help. It's a rather different assignment, but I would judge that you would be equal to it. But it will depend in large measure on the decisions you make after full conference and consultation. You will have to stand on your judgment.

You seem to be capable of that already. Not all the things you want to do you can do. The position that you are in, is amazing in the amount of accomplishments that can be made. I trust that those will be your purposes. I believe they will be.

You will have a lot of help out of this committee, there are few drawbacks around here now. That means they will be giving you the green light. It's quite an achievement and quite an honor to be selected to this position and to have such approval as you seem to have here. It's a mighty good start. I certainly wish you well.

Mr. WEBB. Thank you, Senator.

Chairman NUNN. Thank you very much, Senator Stennis.

Senator Cohen.

Senator COHEN. Thank you, Mr. Chairman.

Mr. WEBB, what is your view of graduates of the academy playing professional sports?

Mr. WEBB. I suppose I have the traditional view that existed until relatively recently. I believe that the taxpayers who contribute more than \$130,000 for a Naval Academy graduate deserve full value for the money. They are bankrolling an institution whose existence solely depends on the production of dedicated military officers.

I would point out that enrollment at the Naval Academy is limited, and competition for those spaces is among the toughest in the country. Those who are accepted deserve an environment where everyone of its men and women are preparing with all due seriousness for a minimum of 5 years service in the fleet.

I also believe that the Navy and the Marine Corps deserve Academy graduates that understand that being an officer is a 24-hour-a-day job, and who will dedicate this full measure of their young lives to military service.

I suppose my message is, if you want more than anything else to be a professional athlete, don't deny a future officer his or her right to study at the Naval Academy.

Senator COHEN. Do I assume that you would apply that standard to a current student at the Academy?

Mr. WEBB. Are you referring specifically to—

Senator COHEN. Mr. Robinson.

Mr. WEBB [continuing]. Mr. Robinson?

Senator COHEN. Right.

Mr. WEBB. I intend to, presuming that I am confirmed, I intend to examine Ensign McCallum and Midshipman Robinson's situation. I don't know what all went into Midshipman Robinson's situation. I think I want to, in his situation, do this in all fairness to whatever change in his contractual status may have been brought about. But I do intend to examine both of those with the idea that when you make a 5-year commitment knowingly, that you should uphold it.

Senator COHEN. You said in your opening statement that we have the finest ground combat forces in the world, and the country gets very good value or deal from its Naval and Marine forces. I assume you do not mean that it gets the same deal from its Academy, based upon the article that appeared back in 1979 to which Senator Nunn referred.

I think you indicated that your analysis of the Naval Academy, as a result of women being allowed to enter the Academy, that the men have been neutered and in essence sterilized of combat leadership potential. Is that your view?

Mr. WEBB. I still have a number of concerns. Let me give you an example about why I do.

One out of every six Naval Academy graduates goes into the Marine Corps. They presently are the only males who are commissioned in the Marine Corps who have not been indoctrinated in an all-male environment. If you look at the class standings at Basic School, which is the point where all accession programs come together, you will see a steady decline from 1965 to today.

I asked them to run my Basic School class, certain graduates from the class of 1968. The average Naval Academy graduate stood 43rd out of 250. The last class, from the class of 1986, stood at the bottom 40th percentile. We're spending \$130,000, we're giving them 4 years of military indoctrination, and they are bottoming out. There are a number of reasons for that. It is not simply the female presence.

I think it has a lot to do with an overemphasis on academics, or an underemphasis on the military part of it. In the indoctrination environment itself, there is no physical indoctrination in the sense that there used to be. So it is a concern.

Senator COHEN. You indicated that the political decision concerning women at the Academy has already been decided. But going back to the article itself, I think you raised the issue when you said that if the Academy's role or goal is to simply turn out managers, then perhaps there is a much more cost effective way of doing that; just shut down the academies, have an enhanced ROTC program and save the taxpayers a lot of money.

Do you feel that that is still the case?

Mr. WEBB. I don't propose that, nor did I propose it then. That was an option that I laid out.

Senator COHEN. But in view of your own conclusion, that we really aren't producing the kind of combat leaders by virtue of the presence of women or because we are putting too much emphasis on academics, or whatever, we get a higher value out of just going to an ROTC program.

Mr. WEBB. As I said, I don't propose that. What I believe can be done is recognizing that the naval service particularly serves the widest variety of warfare communities. And in most cases there are follow-on programs. What we should examine—and I would not do anything in this regard without working closely with the military side and looking at it—what we should examine is a way of making sure that those Naval Academy graduates that go into the Marine Corps have a screening process.

In the same way, for instance, that they do with nuclear submarines.

Senator COHEN. Admiral Carlson came before this committee last month and said that the women we have serving in the Navy are every bit as capable as the men across the complete spectrum. Is that a case where we are being—I hate to say it, but where an arrogant civilian presence is being pandered to by the Navy, or is that in fact the case?

Mr. WEBB. I would imagine that it is the case. In the appropriate skills, the women do exceptionally well. My wife and her sister both served a good deal of active duty time, and I think they probably performed very well.

Senator COHEN. Thank you. My time is expired.

Chairman NUNN. Thank you, Senator Cohen.

I believe that next would be Senator Shelby.

Senator SHELBY. Thank you, Mr. Chairman.

Secretary Webb, what would be your No. 1 priority, assuming that you are confirmed, as the new Secretary of the Navy?

Mr. WEBB. I would say first of all, this is like taking over an aircraft carrier in the middle of a launch. The first priority would be to carry out the policies that are now on-going. They are the budget that we have. It is the President's budget now.

What I would like to do is take a 90-day period—I have already spoken to Secretary Weinberger about this—to have a fresh examination of all the aspects of the Department of the Navy, and to report to him in 90 days as to what I believe a new direction ought to be.

One thing that is very important to me, and I suppose as much because of my background as anything else, is ensuring that the integrity of the officer Corps is held to the highest standards.

Senator SHELBY. I think the Chairman got into that area, and I agree with what you are saying.

As part of the priorities that you say have already been launched, what about strategic homeporting? Do you subscribe to this program and would you carry it out?

Mr. WEBB. I do. I use as a point of reference when I look at the attempt to create new ports. Twenty years ago we had 65 homeports in the Navy. Today we have 34. So with the buildup of the fleet for national strategic reasons, the military strategic reasons aside although those have been hotly debated, but on national strategic reasons we need to have some sustainability in our industrial system and the repair facilities and this sort of thing.

And for human reasons. I know what it was like to step into some of these ports 20 years ago when the ships were stacked up so high that they had signs "Dogs and Sailors Keep Off the Grass." So I would, for a number of reasons, support the move.

Senator SHELBY. Including the dock ports?

Mr. WEBB. Yes.

Senator SHELBY. Thank you. Thank you, Mr. Chairman.

Chairman NUNN. Thank you, Senator Shelby.

I believe Senator Wilson is next.

Senator WILSON. Thank you, Mr. Chairman.

Secretary Webb, I join in the comment that you made about the benefits of military service. I think that a number of young Americans have benefited enormously from the experience of military service, whether as officers or enlisted men and women. And I think that it is an opportunity for maturing and for growth, as well as for service to one's country.

The concern that I have with the concept of something on the order of universal service, whether it be in part and in part other kinds of service—for example, the Peace Corps or something of a non-military nature—really has to do only with the costs of trying to field such a force.

Sometime shortly before World War II I think American privates and those in the U.S. Army were receiving the handsome remuneration of something like \$30 a month. And we have continually, just from the time that I have been in the Senate, been concerned that the services remain at least somewhat competitive with the private sector in terms of the problems we have encountered in recruitment and retention.

So while I find the idea of that kind of service enormously appealing conceptually and think it is very much to the benefit of young men and women to have the opportunity to make a contribution to their community or their State or the Nation, given the fact that we have tried through the volunteer force to remain competitive by increasingly updating compensation and improving it, short of some sort of emergency measure by which we would cut way back on compensation, how could we ever begin to afford to field that kind of force? And in the absence of universal service, aren't we compelled to face all the problems that we have encountered in the past with the selectivity and often the unfairness of the draft?

Mr. WEBB. I'm a little uncomfortable with being the proponent, especially this afternoon, of national service. I would say that you are right, in the sense that you would have to re-do the compensation system if people decided to go into the national services.

Right now the average enlisted person makes \$24,000 a year, and that doesn't include 51¢ on the dollar that we put into a retirement account, DOD into the accrual account, for every individual. That was done largely, from 1971 forward, as you know, in order to make military service on a volunteer basis enhancing and competitive.

Theoretically you could bring about a system like that—not like that. But you could bring about a conscription system and make it fair. There are different ways of doing it. The Swiss have an interesting way. What they do is, anyone who doesn't serve pays a gross tax on his income during the entire period that his contemporaries serve. That's 3 percent of your gross for a certain period, and then it goes down to 1.8 percent, all the way until you are 50.

There are many ways to overcome the question of cost. I would say right now though, you have what military manpower experts call a "contented force." We have high quality people, they are doing an excellent job. The problems that we would have in terms of manpower if we were to mobilize are largely invisible problems. Manpower flow, particularly on the armed side, the first 120 days, these sorts of things.

And the real bottom line inside the Department of Defense today I would say is that it would take so much energy in this Nation to bring about a national service system with a questionable benefit that people just don't want to do it.

Senator WILSON. Mr. Secretary, do you envision any changes in policy with respect to ship repair?

Mr. WEBB. I have not looked at that specifically. I certainly don't have any ideas in mind right now.

Senator WILSON. Thank you, Mr. Chairman.

Chairman NUNN. Thank you, Senator Wilson.

Senator LEVIN.

Senator LEVIN. Mr. Chairman, thank you.

First, on the question of women at the Academy. You have testified that the Basic School class standing of marine graduates from the Naval Academy has been declining since 1965.

Mr. WEBB. I tracked it since 1965, Senator. The decline really didn't occur until the mid-1970s.

Senator LEVIN. So the decline came at the time when the Academy accepted women?

Mr. WEBB. Yes.

Senator LEVIN. And what percentage of the people at Basic School come from all male environment?

Mr. WEBB. In Basic School they are already commissioned. So in the indoctrination programs that bring about a commission in the Marine Corps, all of them are indoctrinated in an all male environment.

Senator LEVIN. But is the training that some get before that in a mixed environment or is it, in some cases, in an all male environment?

Mr. WEBB. The military training is essentially all male. What they do is they break off the female platoon in the Marine Corps OCS, and they have a separate regiment.

Senator LEVIN. I thought you suggested that all others in Basic School came from an all male environment, all others but the ones that came from the Academy.

Mr. WEBB. No. What I said was, the Naval Academy graduates are the only people who are not indoctrinated in an all male environment, militarily indoctrinated.

Senator LEVIN. What about the ROTC?

Mr. WEBB. In the Marine Corps the ROTC midshipmen go through what is called "Bulldog." They break them off and they spend a summer at Quantico undergoing the same regiment that the OCS candidates do.

Senator LEVIN. I take it from your answer that you are still troubled by the fact that women are at the Academy. You accept it, kind of, because that is the law and you are a law abiding person and you believe in civilian control and all of that.

But if you had your druthers, you would probably not have women in the Academy. Is that reading too much between the lines?

Mr. WEBB. You are probably reading too much between the lines.

Mr. LEVIN. How much would you put between the lines?

Senator WEBB. I think we had this conversation before.

Senator LEVIN. We did, and I've gone back and read it and I wasn't satisfied with just how clear it was.

Mr. WEBB. I believe that the service academies no longer exist purely to graduate combat leaders. That used to be true. But once the law was changed, the mission changed. I accept that. It's history. The most important thing is, as I said, to develop the right kind of programs that ensure that people who are being commissioned in this wide variety of specialties are indoctrinated and trained so that they can perform their jobs.

Senator LEVIN. You wouldn't recommend that we go back to the all male academy?

Mr. WEBB. I think it's completely moot.

Senator LEVIN. If it weren't moot, would you recommend it?

Mr. WEBB. I'm not really sure anymore.

Senator LEVIN. On that "bulldog" issue you raised, why can't the Academy grads be sent through "bulldog?"

Mr. WEBB. That would be my inclination, although, as I said, I would not do that without talking long and hard with the Marine Corps.

Senator LEVIN. On the commitment which was allegedly made to Midshipman Robinson. I don't know anything about the details or the merits of this. But if there were a commitment made by the Navy to him, do you not believe that that commitment should be kept even though perhaps the policy was wrong that allowed it, and even though the policy ought to be a much firmer policy in the future?

Mr. WEBB. I would have to examine the nature of the commitment. If it was a formal commitment by the Department of the Navy in a contractual sense, then it would not be abrogated. It would not be fair to Midshipman Robinson.

Senator LEVIN. How about if it were just an informal commitment? Don't you believe the spirit of commitments ought to be kept too?

Mr. WEBB. I would have to examine it.

Senator LEVIN. But you're not excluding the possibility that if there were a commitment that was made clearly but informally, that the spirit of that commitment should be kept? You're not excluding that possibility, are you?

Mr. WEBB. I'm not excluding the possibility. I would, as I said, have to examine the whole nature of the commitment and the fairness with respect to other people who may have either latent or overt talents in areas that are not military, and the signal that we're sending to the people who, through their tax dollars, provided more than \$130,000 in benefits.

Senator LEVIN. I agree with your overall approach and philosophy. But I think we also should be careful about signals relative to keeping commitments to people. I think that is also important. Whether the commitment should have been made I think is some-

thing of a different issue. But if it was clearly made, I think there is some obligation to keep commitments even if they are unwise.

Mr. WEBB. Again, I would say to you that that depends on, in Midshipman Robinson's case particularly, the timing of the commitment. For instance, if this commitment were made to him at a point when he had no obligation to serve, for instance at the end of his second year when he could have gone home without having gone on active duty, then he has a detrimental reliance argument.

If it were made his first class year, then there is no detrimental reliance. He was already committed. He made a commitment to serve. That is something that I want to look at.

Senator LEVIN. One question on an unrelated subject.

The suggestion has been made that we move the U.S. Antarctic facility to Australia. Do you know anything about that?

Mr. WEBB. I am aware of it in general terms.

Senator LEVIN. Do you concur in it?

Mr. WEBB. I have no position on it.

Senator LEVIN. Do you know whether there is any money in the budget this year to—

Mr. WEBB. To my knowledge there is not. Just to be absolutely clear on how I feel about that, that is not something that the Department of the Navy should be doing in absence of a Department of Defense policy.

Senator LEVIN. That is, moving it you mean?

Mr. WEBB. What I would say is, even if there was a Department of the Navy commitment as opposed to a Department of Defense commitment, I would want to review it and make sure it was in line with the Department.

Senator LEVIN. Thank you so much.

Chairman NUNN. Thank you, Senator Levin.

Senator Gramm.

Senator GRAMM. Thank you, Mr. Chairman.

Mr. Webb, let me first say that I intend to vote for your confirmation for a lot of reasons. No. 1, I have enjoyed having the opportunity to work with you in your current job. I think you have done a great service to the Nation in bringing back to the national executive the goal of training of the Reserves and the National Guard.

I think second, anybody who went to the service academy and then has guts enough to write an article even questioning the value of it is a person who is thinking. And I think more than anything else, in positions of leadership, we need people who are willing to contest with an accepted viewpoint, who are willing to look at alternative ways of doing things.

And I think that is especially important today when we face the kind of budget constraint we face, when we have Ivan at the gate and the wolf at the back door facing this double threat of the Soviet threat and the deficit problem. I think you are just the right person at the right time for that point of view.

I would like to say a little bit about the promotion thing without getting into the details of it. I happen to believe that Secretary Lehman, while he is one in a long line of people who served with great strength and distinction in the job that you are hopefully about to assume, I think he has been one of the best at that job. I hope that if you are confirmed, that you will be actively involved

in promotions. I believe promotions ought to be fair, but that doesn't mean the civilian authority should not be involved in setting out guidelines or be involved in the process.

If we define fair as something that is determined only by the uniformed services, I think we are defining the civilian authority out of the process. The whole reason you are here to be confirmed is we want the civilian authority in the process.

I hope that you will look at your involvement and try to set it in the parameters of what is right and what works. But I hope you will be involved, if you are confirmed, in the promotion and evaluation process.

Mr. WEBB. When the Chairman asked me the question, the way that I began my answer was discussing in general terms the force of the law. The law says that the Secretary of the Navy has the authority and will conduct the affairs of the Department of the Navy. And I intend to do that.

The distinction in one part of this is what one Supreme Court Justice called the cannolized banks of administrative discretion. Just how far do you go? And what I think needs to happen right now—and I have had no involvement in the issue on which you began your comment mentioning—but what needs to happen is that any appearances even of unfairness have to be dispelled for the good of the officer corps. And I think the way to do that is to bring the leadership of the warfare communities at a table and to discuss perceptions of unfairness due to these differentials in the aggregate numbers. And I intend to be involved in setting those sorts of guidelines, in working on the precepts, but not beyond setting the thing in motion and evaluating whether or not it met the instructions that I gave it.

Senator GRAMM. Let me say, Mr. Webb, I look forward to working with you. There are a lot of subject areas I would like to get into but in some ways we have these confirmation things backward. We ask the guys all the questions before they know anything about the subject matter. Maybe that's best for them.

So let me just say I look forward to working with you. Thank you, Mr. Chairman.

Chairman NUNN. Thanks, Senator Gramm.

Senator Gore.

Senator GORE. Thank you very much, Mr. Chairman. I will be brief because of the lateness of the hour. I will submit some other questions in writing.

Mr. Webb, welcome to you. You have been welcomed by others. I understand that some of the questions that I had earlier advised you in private that I would be interested in asking have already been asked by others. Just to confirm my impression, you have said that you do not have the position currently that woman at the Naval Academy is a bad idea. You are in favor of that?

Mr. WEBB. What I said is that the issue is moot. The law is settled and I intend to carry it out.

Senator GORE. I don't want to plough this ground if it has already been ploughed. We did have an opportunity to talk briefly about this, and I appreciated your visit very much. I have a lot of respect for you. I like you as a person. I'm sure you would do a good job.

I am concerned about this, and as you know, others are. Senator Mikulski is quite concerned about it. You've said just a moment ago that you would enforce the law as it is written and carry out the policy as it is now stated.

Do you believe that we would be better off if women were not in the Naval Academy?

Mr. WEBB. It would be a different place. I think that the fairest way that I can answer your question is to say that I have no desire to roll back the clock, I have the greatest desire to make sure that we turn out the finest officers, male and female, that we can. That is the responsibility of the Department of Defense. When Congress acts, we execute the orders.

Senator GORE. But you believe it would be better if they were not there?

Mr. WEBB. It would be a different place.

Senator GORE. Better or worse?

Mr. WEBB. It depends on what you want.

Senator GORE. A good Naval Academy that produces quality officers.

Mr. WEBB. Combat leaders?

Senator GORE. Officers of all kinds.

Mr. WEBB. Well then, we can do that with the system that we have now with some of the concerns that I mentioned before being addressed, when Senator Levin and I were speaking.

Senator GORE. Do you believe the Naval Academy should be concerned only with producing combat leaders?

Mr. WEBB. There was a time when that was the mission of the service academies. It is no longer the mission of the service academies. The mission of the service academies is to turn out the best products that you can given the material that you are given. And I think we can do that.

At the same time, as I've said before, there are areas where we need to do some additional work, particularly in the screening and training of the individuals who go into the Marine Corps. And there are ways to do that under the present system.

Senator GORE. I have the impression that your personal view is that changes which have taken place at the Academy, including the introduction of women cadets, have not been in the best interests of the Academy or the United States. That because of the controversy surrounding the earlier expression of your views in the magazine article that became so controversial, that because of that controversy and perhaps for other reasons as well, you are perfectly prepared to say at this point, "Look, I want to put this behind me, I consider it a moot question, I'll carry out the law and the policy as it is."

I don't feel, however, that it is an irrelevant question as to what your personal views are about it. If you are uncomfortable expressing them, I think I understand that. But I get the impression from your statements here that your personal views are that the Academy would be a better place in terms of its ability to serve the needs of the country if women were not here, and if it focused, as it did exclusively in the past, on combat leadership. Am I wrong in getting that impression?

Mr. WEBB. I would say no individual should feel very comfortable trying to read another individual's mind. I have been trying to say for about a half-hour now exactly the way I feel about it, to you and the other Members of this committee.

If you want an institution that is going to produce combat leaders, then you are going to have to have something either different or in addition to what you have at the service academies. If you want an institution that is going to produce quality officers across the spectrum, then we can take what is at the Naval Academy and work with it and give you a very good product.

I have a great deal of admiration for the women who are at the service academies. Should they be in combat? I don't believe they should. In a sexually mixed environment, are we giving them the adequate stress and filtering for the individuals who are going into the Marine Corps, one out of every six graduates? I think that the data shows that we are not. We have to do something else.

That is my focus. I worry about making sure that the people who go out of there that we spend \$130,000 per graduate on are the best at doing the job that they are going to do. I don't worry about the women. They are good in the jobs that they are going to do. The question is, are we adequately stressing the males?

Senator GORE. I agree that it's hard and dangerous to try to speculate on what is in someone else's mind. But one of the ways you reduce that uncertainty is to ask them. And these hearings are occasions for that kind of an exercise. And while you may have walked around it for half an hour or more, I've only had an opportunity to explore it with you for 5 minutes. And I don't think you've really answered that question. You may feel that it's not necessary for you to answer it.

On the other hand, there is a pretty strong consensus in this country on this very point. It is a point that is separate from the issue of whether or not women should be in combat. The question of whether or not women should be in the Naval Academy is fairly well resolved in terms of public opinion. And if we are to have a Secretary of the Navy who does not really agree with that, then it's not the determining, deciding thing.

I do think that the question deserves an answer. But my time has expired. I appreciate it, Mr. Chairman.

Mr. WEBB. If I may, Senator, I'm happy to answer your questions. I have said as clearly as I can that right now I accept and will work with the environment at the Naval Academy with no hard feelings.

Senator GORE. You haven't said what your personal view is.

Mr. WEBB. Do you think the South should have won the Civil War?

Senator GORE. No, I don't.

Mr. WEBB. It's something that is still debated.

Senator GORE. Because it's position on slavery was wrong.

Mr. WEBB. It's overcome by historical events in the same sense as the other issue is.

Chairman NUNN. I think it is time to move on now. You've gotten into sensitive subjects when you start talking about that.
[Laughter.]

Senator GRAMM. That was a very insensitive answer, I might say myself. [Laughter.]

Senator GORE. Does anyone want to propose a different answer? [Laughter.]

Senator GRAMM. I would be happy with a different answer. [Laughter.]

Senator WARNER. I'm going to give you that book written by Robert E. Lee's lieutenant, which was an unbiased history of the Civil War coming from the Southern point of view. [Laughter.]

Chairman NUNN. It was not a civil war, Senator Warner. It was the war of northern aggression. [Laughter.]

Senator McCain.

Senator McCAIN. Thank you, Mr. Chairman. I also would like to applaud the nomination of Mr. Webb as Secretary of the Navy. I think he is eminently qualified. I also feel that this is a very important time for him to be in that position given that there is going to be increasing focus on personnel issues, in which he is very strong. His past experiences in the post that he is vacating will serve him well also.

I think it is very unusual that we can find a man who served his country in so many ways. I am a bit uncomfortable that he followed me by some 10 years at the Naval Academy, because it gives me a certain sense of age. But I do have some questions and reservations, Mr. Webb.

One of them I would like to address very briefly is the subject of Mr. Robinson, whom I have never met, as well as Napoleon McCallum. I think an argument can be made—you keep talking about the \$130,000 that it costs us to train a naval officer. And I agree that is very expensive. I also think that we spent millions of dollars every year on advertising and recruiting for people to join the military.

I would suggest a case can be made that Mr. McCallum and Midshipman Robinson have contributed enormously in raising the visibility of the service academies and have performed a great service in making decisions that they did, that they would serve this Nation, in the case of Midshipman McCallum, to a substantial degree.

I also think it's worthwhile pointing out that through no fault of his own, Midshipman Robinson grew dramatically from the time he entered the Naval Academy, and the qualifications in the areas in which he can serve are extremely limited, as you know. So I hope you would take that into consideration, as well as the commitment that was made by his predecessor.

I would also like to discuss women in the service academies. I think perhaps we might look at this issue in a different fashion. That is, from the viewpoint of the role of women in the military, not whether we should have women in the service academies or not.

I think that the situation in the Navy is unique, because of the restrictions of where we can place women in the Navy. I hope you will examine, for example, Senator Cohen and Senator Proxmire's bill, which would expand the areas of the Navy in which women can serve. I think the problem we run into here is not only just women in the military, but women in the Navy. We disrupt very

dramatically the ship to shore rotation which causes a great deal of hardship on the males, certainly not intended to be so as far as females are concerned. But it certainly does disrupt the rotation.

The personnel problems I think are dramatically exacerbated, or so it has been testified by various chiefs of naval personnel. So I would hope that you would review where women serve in the Navy. Where should they be serving, taking into consideration the various areas they can serve in. Then see if there is an argument that can be made for whether women indeed are taking up a slot that should be or could be better utilized by having a male in that position at the Naval Academy.

I also hope that you will consider in this homeporting issue not only the strategic aspects of homeporting, but those areas of the country which would make the Navy feel welcome as opposed to those which would not be a friendly environment, as you examine this issue. I think that is very important.

You talked about signs of Sailors and Dogs Keep Off the Grass. I think it is very important to recognize also the hardships we may be placing on our Navy men and women if we put them into unfriendly environments. You can find out very easily what those are.

I also would mention this issue of national service. So often we raise the bugaboo of cost. And somehow, as you mentioned, other nations are able to afford basically a concept of national service. I applaud your support at least for the philosophy. If we base everything in this Nation to do with the service and the military on cost, I think we are neglecting a great deal, including the necessity for all Americans, at least to some degree, and the desire of most young Americans today, to serve their country in some capacity or another.

I would like to ask you: I am sure you have had the chance to review the budget which has been sent over, the Navy portion of the Department of Defense budget. Concerns have been raised on this committee concerning the impact on readiness and sustainability as far as the allocation of those funds are concerned across the board. The Navy in particular, we are told that we have a problem with exodus of pilots and we are going to have further retention, as well as recruitment problems, as we face a shrinking available pool of manpower.

Are you concerned about that budget? And what recommendations would you make to change the Navy budget, as you have reviewed it?

Mr. WEBB. My view is that the Navy's budget right now is the President's budget. It has been through the Defense Resources Board process. It was adopted by the Secretary of Defense and screened by OMB and I support it.

Senator McCAIN. Are you concerned about some aspects about the impact of reductions on readiness and sustainability?

Mr. WEBB. I believe, and I would be happy to look at any specific area. I have a great deal of admiration for your own experience in the Navy. But the trades that I have seen given the reality of limited resources are justifiable. I would be happy to take specific areas and look at them.

Having sat on the Defense Resources Board for the last 3 years, where we bring in all the services budgets and go through them, the Navy has had the most well managed budget of the three departments in my view, having gone through that process. There are always trades that have to be made. The trades that I see, at least at this juncture, are justifiable.

Senator McCAIN. Thank you, Mr. Chairman.

Chairman NUNN. Senator Symms.

Senator SYMMS. Thank you, Mr. Chairman. Welcome to the committee, Mr. Webb. I would just like to join with those that have praised you this afternoon. I will be supporting your nomination, both here in the committee and on the floor. I would just like to quickly say a couple of reasons why.

One is, I've had the opportunity in the past to read three of the books and several of the articles that you have authored. I find that you have a very sound and solid understanding of what the purpose of our Armed Forces is: that they defend peace and our freedom in this country and in the Free World. There isn't any higher reason for having an armed services than that. So I compliment you on that.

There are many people in this country that would be qualified to be an excellent Secretary of the Navy. But, I think you have unique qualifications from your being tested in battle, and the experience you have had, both in writing and in the practical experience in the job you now hold has forced you to formalize your own thoughts and your philosophies. I join with Senator Gramm.

I think it has been important that our Guard and Reserves have been doing some training offshore so they recognize the importance that they will play in protecting the price of freedom, which is not cheap, as you know, if they are called upon to do so. I thank you for that, and I compliment you.

We have touched some on the Naval Academy. I have been concerned about the war colleges and whether or not we are training our field grade and our senior grade officers to war winning mentality rather than the State Department-type diplomacy training. It's confusing to know if we are really training officers to fight and win a war or to be better diplomats.

I would hope that in your examination of the naval aspect of these war colleges, you would look at those curriculums to be sure that we do not tilt too much to the diplomacy side. I think you made it very clear. I happen to have read the so-called controversial article that you wrote several years ago. I think that is one of the things that anyone who writes has to put down ideas, and those things can change.

But I think you made it very clear to this committee that if we want to train the finest combat officers for the United States Marine Corps, they would be better off being trained in a non-coed environment. I personally share that point of view, and agree with you. It's a moot point in history at this point. I don't expect to see it changed.

But one thing that has happened that has been of great concern to me—I don't want to put you on the spot as to whether you want to answer this yes or no, but you might care to comment on it. I believe that the problem of the young marines, the Marine Corps

has gotten some bad—I think that our Beirut experience was a bad thing for the Marine Corps, where marines were put in for ceremonial purposes and then the security was not what it should have been. It was a tragedy.

Now we have a problem with young marines who have allegedly committed treason against this country. I have told General Kelley that in my view there should be a UCMJ court martial convened, those young marines should get a fair trial, and if they are convicted of treason against this country they should be executed. It should not be put off because I think treason is the worst crime that one can commit when they are the beneficiaries of citizenship in this great country of ours.

Would you care to comment on that?

Mr. WEBB. I would not.

Senator SYMMS. I didn't ask you yes or no.

Chairman NUNN. Let me just say on this point: We've got a situation where we've got allegations, charges, we've got people who are entitled to the presumption of innocence, we don't even have an investigation finished. The designee may end up being a senior appellate official in this process. I would urge that we not get into this subject.

Mr. WEBB. Thank you, Mr. Chairman.

Senator SYMMS. Mr. Chairman, I've said what I've thought about it. Since you are all here lamenting the war of northern aggression, I thought I ought to contribute to the point of history that the first battle in Idaho history of the War Between the States, was actually fought on a place called Secession Ridge. There were 15 Yankees versus 11 Confederates fighting over who got the gold out of the Lawrence Basin.

And for the Chairman's point of view——

Chairman NUNN. I know who won because we didn't have any gold in the South for a hundred years.

Senator SYMMS. Mr. Lincoln got the gold and to the victors go the spoils. Now Secession Ridge and the Secession River have been changed. It is now the Sea Sash Ridge and the Sea Sash River. So Idaho territory did play a role in that traumatic struggle.

Chairman NUNN. I thank the Senator from Idaho.

Senator SYMMS. Thank you, Mr. Webb. Good luck to you in your job. I look forward to working with you.

Mr. WEBB. Thank you, sir.

Chairman NUNN. Senator Kennedy.

Senator KENNEDY. Thank you, Mr. Chairman.

Mr. Webb, I'm sorry I wasn't here during the other parts of the hearing. But we look forward to your response. Will we be able to file some questions?

Chairman NUNN. Yes, certainly.

Senator KENNEDY. I would like to direct your attention to the whole question of retention in the Navy. Some of us who have followed the whole issue of the draft in the previous years and supported random selection and supported the volunteer service and know where the alterations and changes in demography have been interested in taking steps to aid retention, particularly of skilled personnel. We have supported increases in flight pay and sea pay

and other different incentives. We have seen that over a period of time that it has had some success.

But I have been impressed by the fact, as we have been going through the various reviews, that there is a general downward curve in terms of retention, both in terms of Navy flight and skilled personnel. If you look at pay, the costs of moving expenses, the whole range of quality of life issues, there has been a general erosion of benefits. I will have some recommendations later for the full committee to consider at the time that we begin to prioritize our budget responsibilities.

Would you just address that issue about what you intend to do to ensure the retention of skilled Navy personnel, submariners, aviators, etc.? And perhaps review with us what you view as the most important elements of retention, flight pay, sea pay, and the others?

Mr. WEBB. There are programmatic factors——

Senator KENNEDY. And how much of a problem do you see?

Mr. WEBB. My view of those—as you pointed out, Senator, there has been a slight downturn, particularly over the last year. My concern—first of all, on the programmatic side, I would be happy to work with you and anyone else on the committee to develop further incentives.

But my greatest concern in the area of retention, and I suppose this comes from having so many peers from my year group who are still on active duty, is the operational tempo in the Navy itself. This is why I feel strongly about the carrier issue, to be frank with you.

When we go back to 1979 and 1980, when we first went into the Indian Ocean, we had 12 carriers. I had a friend who was on the U.S.S. *Midway* who was home ported in Yokosuka. He was supposed to be on an accompanied tour and for 3 years he averaged 3 days a month at home with his family.

The average naval officer spends 15 out of his first 20 years in a sea billet. We should remember that the Navy, which has the approximate end strength of the Air Force, has 37,000 fewer officers, which requires them to be at sea a lot more.

Senator KENNEDY. Let me interrupt you there. Have you thought about other alternatives in terms of homeporting? On these aircraft carriers, moving the crews back and forth so they get more home time?

Mr. WEBB. That was the logic that caused the *Midway* and other ships to be moved forward to Yokosuka back in the early 1970s. They were home ported in Yokosuka and they were able to operate forward out of there. There is a limit as to how much of that we can do. I would be willing to pursue it more.

Senator KENNEDY. How much have you thought about that? Have you studied that yourself?

Mr. WEBB. No, I have not.

Senator KENNEDY. You brought up the aircraft carriers, I didn't. The hour is late. We'll have a chance. I want you to focus in on the whole question of personnel issues, on the question of what you understand the personnel needs are for the Navy. That's my question.

Either you think it's important or you don't think it's important. If you do think it's important, then I would like to hear you talk

about what the reduction in purchasing power of a Navy pilot means. You've been out talking to those people. Moving expenses only cover a certain percentage of it. You are hearing about that from your people. There is an expansion in the civilian airlines drawing away pilots. That is a concern to me.

I'm giving you an opportunity. It's either there or it isn't. If I were in the Navy, I would like to think we were going to have a Secretary who was going to be fighting for those things. I'm giving you the opportunity to speak to it.

Mr. WEBB. Well, I'm saying that the compensation side right now is good. There are target areas where we may need further incentives. The average officer makes \$53,000 a year which includes the value of his retirement that we pay. The average enlisted man makes \$24,000 a year.

Operational tempo, as much as anything else, is a reason that drives people out. They need to be with their families. I am willing to look at all of the retention issues. My background is a manpower background, and if there are any specific areas where programmatic fixes need to be made——

Senator KENNEDY. Doesn't this apply to submariners as well?

Mr. WEBB. Yes, it does. The average submariner spends almost 16 out of his first 20 years at sea.

Senator KENNEDY. So what are you going to propose that we do about retaining the submariners? Address that particular issue, of the technical people and their families.

Mr. WEBB. I don't have a specific program that I could offer you today to fix that.

Senator KENNEDY. Well, I guess you are caught where you say this is a problem and part of the solution is having more aircraft carriers. Then we find, in terms of retention, that we are losing trained and skilled personnel on the submarines. We're trying to ask you how you are going to deal with that.

Mr. WEBB. It's a problem across the board. I don't have the——

Senator KENNEDY. My time is up. You are going to be confirmed, you probably will. All I would say is if I was in the Navy concerned about any of those other issues, I would hope that you would be somewhat more concerned about those questions. I have no further questions. I will submit some, Mr. Chairman.

Chairman NUNN. Thanks, Senator Kennedy.

Second round. It's getting late, but we will stay as long as we need to go. Senator Warner has not had his first round. I apologize, Senator Warner. We are delighted.

Senator WARNER. Thank you, Mr. Chairman.

I have been out selling the 600-ship Navy, particularly certain elements of that Navy, which I will address later.

I welcome you to this position, and I am confident that the Senate in its wisdom will confirm you. I believe that you will be the highest ranking Vietnam veteran in the Department of Defense. It is timely that a man with your experience in that era of our history sit at the roundtable of decisionmaking on our national defense policy.

My first question would be in that vein, although this committee doesn't have direct jurisdiction over matters relating to veterans.

That would be proposed in the Veterans Committee. We do pass on such items as the GI bill and so forth.

Being a trustee of those individuals, and I view you in that position, what would you like to do in your capacity as Secretary of the Navy to provide added encouragement to those who served in uniform during that period as they are still coping with their challenges in private life?

Mr. WEBB. I wrote an article about 7 or 8 years ago, talking about what the Vietnam veteran needs. I wrote it after 2 years of having worked on the House Veterans Committee. I was the first Vietnam veteran to serve in a professional capacity over there.

The bottom line in the article was that programs can, out of the Congress, can bolster up, can give you an underpinning. But the one thing that Vietnam veterans needed more than anything else was a recognition of the validity of their service.

Attitudes are what drives such things as employment, what an individual thinks one-on-one about what somebody did. I feel pretty strongly, and I think the polls show this, that first of all, the individuals who served in Vietnam felt very affirmatively about their service. We did a poll when I was on the Veterans Committee, a \$6 million survey sponsored by the Harris Survey.

Ninety-one percent of in-country veterans stated they were glad they served their country. Seventy-four percent said that they enjoyed their time in the military. Two out of three said they would do it again, even knowing the end result.

What the veterans lacked for a good period of time because they were back piecing their lives together and this sort of thing, were people who could say that. And I intend, I suppose, as the principal way to help people along would be to speak positively about the value of service.

Senator WARNER. I hope you do use your present position, that is if the Senate confirms you, as Secretary of the Navy to speak out on that issue and to help provide encouragement to those men and women who served during that period.

Just a little friendly advice from one old Secretary of the Navy to another. The decision to put women in the military academies was made at the time when I was there. I recall the reasoning that went into it. I think it was a good decision. I am personally hopeful that it will remain as it is now, and perhaps you can spend your time on some other issues.

Priorities in the Navy in terms of new construction: I am gravely concerned that we have fallen behind in terms of our development of new submarines. The 688, which was the latest attack submarine, was started a dozen or more years ago. The Soviets have put to sea at least five or six different classes in that timeframe. We are now a Congress looking at the funding request to give a strong push forward to the SSN-21 to join our fleet in the 1990s. What sort of priority will you put on that program?

Mr. WEBB. From the initial briefings that I have received, our anti-submarine programs right now probably should receive the highest priority, looking into the future, just because of the gains that have been made because of intelligence leaks and this sort of thing.

We have an ASW master plan that will be briefed, if it hasn't already, to the Congress very soon. I intend to be very actively involved in that.

May I say something about the female issue?

Senator WARNER. Oh, yes. I didn't mean to belabor it here. The decision was made on my watch and you're picking up the torch.

Mr. WEBB. I don't want the committee to leave here thinking that I am not committed to the advancement of females in the military. It got a little bit lost and I accept responsibility during my exchange with Senator Gore.

I don't believe, as Senator McCain may have thought, that a female at the Naval Academy is taking up a male's billet. That is not true any more. The panorama of the specialties that the Naval Academy now serves has room for females. And I accept that. I think that what needs to be done right now—and I have been told to date there have been no responsive surveys measuring the experiences and attitudes of women, particularly of enlisted women, in the Navy regarding such matters as isolated service and shipboard duty and this sort of thing. Nor does there appear to be any analysis of the pool of potential female enlistees in the general population regarding the impact of these policies on whether they would enlist.

I am prepared to conduct a thorough and objective examination of all current issues regarding women in the naval service and report the findings to the Secretary of Defense and to share them with this committee. I will do that in a timely manner.

Senator WARNER. I share your views about women in combat. Particularly in the naval service, the confinement of ships and the long deployment and the like, would just preclude that from being a reality.

Let's turn back to the priorities. You put a very high one on the submarine construction. This committee will also be looking at whether or not to start the construction of two new carriers. I understand you have touched on that.

The sentiment I detect in this committee at the present time is that the United States indeed has a requirement for 15, and the question is whether or not our fiscal situation in this particular budget year allows for that new start.

What would be your guidance? If we were to call you back after confirmation to give us your thought on that issue as to how high a priority we should put on the starting of the two new carriers in this particular fiscally constrained budget?

Mr. WEBB. I believe that if we accept the premise that we should operate with 15 carrier battle groups, and that has been confirmed by people across the spectrum, I don't need to go into that—then cost effectiveness and timeliness and industrial stability should be the reference we should use as to when these carrier replacements go on line. My views of the budget as it has come over here is that those issues have been addressed. There is some question about how much would be saved by this accelerated buy, but it is fairly clear that a significant amount of money would be saved that we could actually turn into other programs later down the line.

So I support it.

Senator WARNER. Going back, I recall that when I was Secretary I believe I retired you in a ceremony in our office.

Mr. WEBB. Yes, you did.

Senator WARNER. But the reason, of course, was that the wounds you had received in Vietnam precluded you from remaining on active duty. It was an involuntary retirement on your part.

Consequently, I take a great deal of pleasure in seeing you back here today.

Mr. WEBB. Thank you very much, Senator.

Senator WARNER. Returning to that office, I think you will be recorded in history as one of the great Secretary's of the Navy. I am just confident of that.

Mr. WEBB. Thank you very much. I spent a year on you and Senator Chafee's staff with a no-prolonged standing chit, trying to stay in the Marine Corps. It was very memorable for me to have been retired by the Secretary of the Navy as a young captain. Thank you.

Senator WARNER. I look forward to going back and drinking that rotten coffee that we had there. Thank you.

Chairman NUNN. Thank you, Senator Warner.

We have completed now the first round. We will take other questions from those who would like to pose other questions.

Senator Stennis, you would be next for recognition.

Senator STENNIS. I have no more questions.

Chairman NUNN. Senator Cohen.

Senator COHEN. Could I just inquire, Mr. Chairman, which member of Mr. Webb's family intervened at the last hearing to come to the rescue of the nominee? I don't want to put any pressure upon her patience if she is still here.

Mr. WEBB. I'm not sure. It wasn't Amy. She was too old.

Senator COHEN. I would just like to offer a couple of comments. I don't think there is anybody in this committee, or maybe not in this Congress, that I admire more than Senator McCain. So when he says something I like to take particular note of it. In fact, he is one of my heroes in this country.

I must take a little bit of issue with the statements, with respect to athletes coming out of the Academy, however. I would like to reiterate what I was at least suggesting or implying to you, that I support your position that you have articulated today.

There are soldiers who are great athletes and there are athletes who can be great soldiers. But I don't think we should allow the Academy to fall victim to the current collegiate affliction of recruiting great amateur athletes who become great professional athletes. I think the Academy should be admired, not because it attracts great athletes, but because it produces great soldiers and aviators. Unfortunately, it may not be there right now, but at least combat leaders.

I think of people like my friend Pete Dawkins, who forfeited a professional football career. I think of Roger Staubach, who deferred his professional football career. And I think that people like John McCain and Jim Webb are more important symbols to this country than they would be if they simply played a sport.

So I think those are the values we ought to be expressing and not athletics at the Academy. I support what you said earlier. I

don't want to preclude any judgments you might exercise on the validity of changing circumstances and so forth. But I must tell you, I am troubled when I see professional athletes who have a good year and sit out or threaten to sit out a season to renegotiate a contract they signed the previous year. That is troubling to me in terms of the kind of precedent it is setting and what it is doing to the vision of the young people of this country.

I hope you will take into account what Senator McCain said about looking at the legislation that Senator Proxmire and I did put into the hopper as such. I would like to know, before getting to that, what do you do if in fact the article you wrote back in 1979 in the Washingtonian magazine is correct? I think you said, I know that you have said that the present system is not preparing anyone adequately for leadership position over men in combat arms.

What do we do at this point? How do we get a John McCain? Do we send him to post-graduate training and stress? What do we do with him?

Mr. WEBB. What I was saying—I thank you for the opportunity to clarify it. I'm not saying that the system can't produce a combat leader. I'm saying that my concern has been that we're not guaranteeing that.

Senator COHEN. But we're not stressing that enough.

Mr. WEBB. There are some people who are good combat leaders who can walk in off the street and lead in combat. So it's not essential that someone go through a service academy experience or any of this other stuff to be a combat leader.

Senator COHEN. But you talked about the effect of a plebe, what it was like and the experience of being a plebe, going through that kind of stressful ordeal and how that prepared you for dealing with a comparable ordeal later in combat.

Mr. WEBB. I believe that the plebe system as it originally existed provided a filter to make sure that those who could not manage that kind of stress would not be placed in charge of people in a combat environment. It doesn't mean that everyone needed to have that. That is a distinction that sometimes is lost when we talk about what plebing did.

But to answer specifically the second part of your question, most of these programs have follow-on schools. My greatest concern right now, as I mentioned earlier, was the Marine Corps. I believe that with the cooperation of the Marine Corps that we can develop a system that allows them to select their people.

Senator COHEN. Again, looking at the legislation I spoke about, I hope you would take into context that about 8 years ago the Congress did indicate it had some congressional intent to allow women to serve in mobile logistic support forces. Then 8 years later that is suddenly called combat logistic forces, from which they are excluded. I would hope you would take a look at that because I know the GAO is now examining a number of situations in the Military Sealift Command, for example, which may appear to be quite comparable to the combat logistic forces. But at least keep an open mind in terms of what capabilities and what talents women can bring to those non-direct combat forces, those in the support. But I hope you will keep an open mind, pro or con.

Mr. WEBB. I can pledge to you that I will.

Senator COHEN. That is all I have, Mr. Chairman.

Chairman NUNN. Senator McCain.

Senator MCCAIN. Thank you, Mr. Chairman.

I certainly appreciate the very kind words of my good friend Senator Cohen. I hope that he didn't misconstrue my remarks. I think it's a very tough call on this issue, particularly of Ensign Robinson, who really has grown so tall that it has been very fortunate for his basketball playing but it has made it very difficult for us to make him either a pilot or even serve on most ships, is my understanding. I realize the difficulty of this situation and I appreciate Senator Cohen's side of that argument because I think it is certainly very compelling.

I just have one question, Mr. Chairman. We are talking about image and all this kind of stuff. Recently the best movie, the movie of the year, the academy award winner, was a movie called "Platoon". Secretary Webb, you were a platoon commander during the Vietnam war, and I understand severely wounded. Would you give your opinion of that movie, aside from its artistic value?

The reason why I ask this: I think that millions of Americans may perhaps shape their belief and understanding of what happened during that war by this film. I think it might be helpful for the record to have someone's idea of that movie who actually served and fought there.

Senator COHEN. Would you be willing to tell us your opinion of Top Gun?

Senator MCCAIN. I would be more than happy to. I never had an instructor like Mr. Cruise did, I'm sorry to say. And if I had had it I don't know if I would have been able to handle it.

Mr. WEBB. I think the movie "Platoon", is a hard one for a lot of Vietnam veterans because, in my opinion, what Oliver Stone did was go out and hire a technical advisor, a guy named Dale Dye who had three tours in Vietnam, to make sure that every daily aspect of the film was correct; how you eat your C-rations, how you make a C-ration stove, how you wear your dog tags, and this sort of thing.

So the typical Vietnam combat veteran on the one hand looks at that part of it and says gee, for the first time I see the nitty gritty details that are correct. But then, it is my opinion, what you have on top of that is an overblown or Conradian outlook or a good versus evil, that does a tremendous disservice to the people who served. The film lacks proportion. It is as if these events, the drug use, the so-called atrocities and this sort thing, it's as if I laid a map of the United States down in front of you and Rhode Island was the size of Alaska, and I were able to say, "See! You can't say it wasn't there." It was there.

I was very disappointed in the film. In fact, I spent a lot of time with my daughter over the years, talking about Vietnam, trying to give her some perspective. And yet, when she came back from the film she had the same kind of questions like, "Did you guys really shoot people?" It was a very great disappointment to a lot of people who served.

Senator MCCAIN. And technically so very well done and compelling.

Mr. WEBB. That's the problem with it. It's wrapped up in very accurate detail. Little things are very accurate.

Senator McCAIN. Thank you very much, Mr. Chairman. I am sorry to take the committee's time on that question.

Chairman NUNN. No. I think it was an excellent question. I'm delighted to get Mr. Webb's answer to it.

Senator Warner.

Senator WARNER. Just one last question.

Would you like to take a moment here to provide us with what your goals, your personal goals, would be in this office in the next 20 some odd months? You will serve in it, I am confident. In reading your books I find that you have an unusual ability to relate the past to the future. I'd be quite interested. Have you thought through several goals that you would like to achieve as Secretary of the Navy?

Mr. WEBB. As I mentioned in my opening statement, I bring no sweeping agenda to this job. I think that the sea services are in good shape. It's rather like taking over on an aircraft carrier while it's launching.

I would like to see these programs through. My benchmark on what the Navy and the Marine Corps should be is not 1979 when it had bottomed out at 479 ships, but 1968 when we had 931 ships and essentially the same missions that we have today.

We need to build the Navy back to where it was before we hit the bottom. We need to use something other than a 479-ship Navy as a benchmark. We are a maritime Nation. Over the past 5 or 6 years our balance of trade has shifted more and more into the maritime areas that we have. I would like to leave the sea services in a position of irrefutable strength.

As to specifics I think the only one immediate goal that I have is to reassure the officer corps that its integrity is my No. 1 priority.

Senator WARNER. That would be commissioned officers, and I hope petty officers.

Mr. WEBB. Absolutely.

Senator WARNER. Thank you, and good luck.

Mr. WEBB. Thank you, Senator.

Chairman NUNN. Thank you very much.

Mr. Webb, thank you for being here. I want to thank all of the committee Members for a splendid turnout on a Monday afternoon. We will try to take up this nomination at 9:30 a.m. on Wednesday morning. I'm not sure whether we are going to be able to get it through the committee and through the Senate this week.

I have been very impressed with your background and have known you in your recent job. I am enormously impressed with the depth of your thinking and your answers. I don't agree with all of them, but that is immaterial. I think you bring a thoughtful, soul searching examination to critical issues that face the Nation and the country. I congratulate you for it. I certainly will be one of those supporting your nomination.

We will have questions for the record. We will ask you to get those back as soon as you can. I'm going to ask the counsel on both sides, minority and majority, to make sure those questions are not redundant and to make sure that we're not simply going over what has already been gone over. If we are going to vote on Wednesday

in the committee, and I hope we will, that gives Mr. Webb 1 day to provide answers. So I hope we have a minimum number of written questions. But they may be important to those who are asking them and they may be important and relevant by Wednesday morning. So I don't know what you were planning tomorrow, but we would ask you to—

Mr. WEBB. I'm all yours, Mr. Chairman.

Chairman NUNN [continuing]. To set aside a little time on that one, and we would appreciate that. We thank your family for being here and are delighted to have them here. They are a fine looking family. We are pleased that you are willing to offer your service to your country in this respect. We are indeed grateful for your previous service.

Mr. WEBB. Thank you, Mr. Chairman.

[Questions for the hearing record, with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR SAM NUNN

DEFENSE REORGANIZATION

Senator NUNN. Secretary Webb, as you may know, there was considerable opposition with the Department of the Navy to Defense reorganization.

What are your views on the Goldwater-Nichols Department of Defense Reorganization Act of 1986? What, in your view, were the major objectives of that legislation? Do you support them?

Mr. WEBB. Under the general rubric of enhancing DOD's ability to discharge its responsibilities for the execution of national defense policy, there were, in my opinion, several major objectives of the Goldwater-Nichols Act. Foremost was the desire to emphasize jointness, and to increase the responsibilities of the Chairman of the Joint Chiefs, and the Unified and Specified Commanders. I am in general agreement with this desire, especially after having spent 3 years as Assistant Secretary of Defense for Reserve Affairs, where in my responsibility as an evaluator of resourcing directed toward war plans I was in frequent contact with the CINCs, and was a proponent of their greater participation in the planning process. In this regard, I believe Secretaries Weinberger and Taft deserve much credit for their early decision to involve the CINCs as evaluators in the Defense Resources Board process.

I do have serious concerns, however, with some portions of the law, particularly with some sections of Title IV. My personal belief is that the law as presently stated is procrustean, failing to recognize different needs of the different services, and that it requires joint service far too early in a Naval officer's career. I would hope to discuss this matter with this committee at an early date following my confirmation.

ROLE OF THE SECRETARY OF THE NAVY

Senator NUNN. Secretary Webb, as you may know, prior to enactment of the Goldwater-Nichols Act, the roles of the Secretaries of the Military Departments in a unified Department of Defense were poorly defined. The Goldwater-Nichols Act gave considerable attention to clarifying the roles of the Secretaries of the Military Departments.

Would you explain to the committee what you see as the roles of the Secretary of the Navy, particularly concerning his responsibilities to the Secretary of Defense?

Mr. WEBB. My reading of the Goldwater-Nichols Act as it relates to the role of the Secretary of the Navy is that it more clearly established the service secretary's predominance with respect to uniformed leaders inside the Navy Department, and that it also more clearly defined the overarching authority of the Secretary of Defense as the articulator and promulgator of Defense policy.

Senator NUNN. Secretary Webb, recently we have seen a number of responsibilities that have traditionally been performed by the uniformed Navy being carried out by the Department's senior civilians. Most notable in this regard has been civilian dominance of the Navy's contributions to strategy formulation.

Do you plan to continue this reallocation of responsibilities, especially regarding strategy formulation?

Mr. WEBB. In general terms, it should be pointed out that the Goldwater-Nichols Act dictates more responsibilities at the Secretarial level. These matters will be ad-

dressed through appropriate Departmental Instructions. Specifically with respect to strategy formulation, my view is that this is historically, and continues to be, a bilateral process. The service Secretary has a responsibility to participate in the strategy formulation process, particularly as the process relates to carrying out the President's objectives, the development of the Secretary of Defense's Defense Guidance, and in evaluating the resourcing of the strategy. The uniformed military chiefs have a responsibility to advise the Service Secretaries on such matters, and also directly participate in strategy development as members of the Joint Chiefs of Staff.

Quite frankly, I believe it much more inappropriate for a service Secretary to become directly involved in operational matters than in strategic matters.

MARITIME STRATEGY

Senator NUNN. Secretary Webb, in recent years, the Navy has promoted what is called the Maritime Strategy. There has been considerable criticism of the Maritime Strategy. Some believe that it is disconnected from the strategic priorities of U.S. military strategy. Others argue that it is nothing more than a marketing strategy to obtain more resources for the Navy. Admiral Crowe has the following statement about the Maritime Strategy, and I quote:

"* * * There is no such thing as a 'Maritime' or a 'Navy' strategy for the United States. We have a strategy . . . I do not believe the scheme known as a 'Maritime Strategy' is a strategy. It is a conceptual way that we might use naval forces."

Mr. Secretary, would you please give us your views on the Maritime Strategy?

Mr. WEBB. I believe there is nothing wrong with articulating strategic concepts that pertain to the use of naval forces, and relating them to the national military strategy. I believe the credible use of seapower is the linchpin of our national military strategy. Nonetheless, seapower cannot be used in a vacuum, or simply on a navy-to-navy basis. It is essential that our nation control the seas in order to project our ground forces and sustain our commercial interests, in war and in peace.

KOLA PENINSULA

Senator NUNN. Secretary Webb, Secretary Weinberger's written testimony on U.S. National Security Strategy listed several options for reducing threats to U.S. interests. One of these options was to, and I quote: "Align enduring U.S. strengths against enduring Soviet weaknesses * * *"

In your view, is sending our aircraft carriers around Northern Norway to attack the heavily defended Kola Peninsula an example of aligning our enduring strengths against enduring Soviet weaknesses?

Mr. WEBB. Here I agree with Admiral Crowe's earlier statement. Sending aircraft carriers to attack the Kola Peninsula is not a strategy. It is a tactical option, dependent on the initiative and judgment of the commander who is fighting the battle. A strategic concept in this regard might be to force the enemy to realign forces in order to take into account this tactical option. I personally would see this option as viable under rather narrow circumstances, but not out of the question.

HEAVY MARINE CORPS

Senator NUNN. Secretary Webb, during the 1970's the Marine Corps was forced to add more armored and mechanized capability to be able to fight in a NATO war.

Was the "heavying up" of Marine forces a mistake? Have heavier Marine Forces exacerbated the problem of limited amphibious shipping and diminished the strategic mobility of Marine Forces?

Mr. WEBB. I should first point out my view that the Marine Corps is not simply an amphibious force. Its history demonstrates that it is a tactically complete, immediately mobilized force in readiness, with an included amphibious mission. The question becomes what range of options for the use of the Marine Corps can be maintained without pulling it in so many directions that it no longer can train toward objectives or deploy immediately.

There are some indications that the Marine Corps is becoming too heavy and also, that its helicopter doctrine is becoming too concentrated on large, expensive platforms that would be vulnerable in heavy combat. I intend to ask the Marine Corps leadership to address this question in detail soon after confirmation.

COMPENSATION

Senator NUNN. Mr. Webb I think the Congress has done a good job of providing for our men and women in uniform. An analysis of compensation trends over the

last 3 years indicate that overall compensation for enlisted members has increased by over 12% and for officers by over 10%.

This was done during a period of tight budgets requiring some pretty tough trade-offs. Therefore, it was a bit dismaying to hear VADM Carlson, the Chief of Navy Manpower, say that one good way to retain experienced officers is "give them a bag of money."

Do you agree with what appears to be the intent of VADM Carlson's statement that "bags of money" are the route to deal with personnel recruiting and retention?

Mr. WEBB. I am unable to judge the intent of Admiral Carlson's comments without having read them in context. However, as I mentioned several times during my confirmation hearing, I believe our men and women in uniform have been treated quite well by the Congress on the issue of compensation. I say this as one who grew up in a military family and who is deeply dedicated to the well-being of those who serve and their dependents.

AMPHIBIOUS SHIPPING

Senator NUNN. Secretary Webb, including Reserves, the Marine Corps has four division/wing teams. Yet, the Navy has only enough amphibious shipping to deploy in an assault configuration about one-third of Marine Forces.

Do you believe that there is a serious imbalance between Marine Forces and amphibious shipping?

Mr. WEBB. While current Navy amphibious lift capability reflects some shortfalls, Navy is aggressively pursuing an amphibious lift improvement program to address requirements of National Strategy. Present amphibious lift is capable of supporting four of nine Marine infantry regiments, with air and other support forces, for amphibious assault. Three infantry regiments are allocated to Maritime Prepositioning Forces and support combat operations not involving forcible entry. The remaining combat forces of the Marine Corps, two active infantry regiments and reserve forces, with supporting air assets, will require turn-around shipping, air lift, or other strategic transport for movement to theater. The Navy program for improvement of amphibious lift capability is in accordance with Defense Guidance and is structured to meet specific Marine Corps requirements as defined in the Department of the Navy Amphibious Lift Study. The program, as submitted in the President's budget, supports attainment of intermediate lift capability of simultaneous Marine Amphibious Brigade (MAB) operations in both Atlantic and Pacific areas plus conduct two independent Maritime Prepositioning Force supported operations elsewhere by the end of fiscal year 1992. Our goal, also supported by the President's budget, is to expand our amphibious lift capability to a Marine Amphibious Force (MAF) plus MAB by 1996. The shipbuilding program proposed in the President's budget supports these goals in requests for authorization for the WASP class LHD, the LSD-41 (Cargo Variant) and LCAC. Navy plans, programs, and budgets to support amphibious lift objectives have been developed in the context of National Strategy and within fact-of-life fiscal constraints of Total Obligational Authority (TOA). I intend to ask the Marine Corps leadership to address this question in detail soon after confirmation.

QUESTIONS SUBMITTED BY SENATOR TED KENNEDY

NAVY PRIORITIES

Senator KENNEDY. You are of course familiar with the Navy's surprise proposal for two nuclear aircraft carriers in this year's budget request. Until this request, we had been told no new carriers would be needed until the 1990s.

In response to the Navy's early carrier replacement proposal, Admiral Crowe in a memo to the Deputy Secretary of Defense stated, and I quote, " * * * "when painful choices have to be made, I would give first priority to sustainability, modern munitions, ASW, and the SSN program."

Do you share Admiral Crowe's priorities? If so, should we approve the carrier modernization proposal only if these higher priority programs can be adequately funded? If not, what priority would you give the early carrier modernization proposal?

Mr. WEBB. First, I would like to point out that Admiral Crowe's memorandum dated October 1986 was an internal document and formed only a small part of the active dialogue which was underway at the time. Chairman Crowe's concerns for the vital programs referred to in the memo have been addressed, and he supports the requirement and the Navy's priority for acquisition of the carriers.

The Chairman and I both share the same concerns for having balanced programs and are apparently in agreement. Some critics think that Readiness and Sustainability were shortchanged. This is simply not true. Special care was taken to preserve operating resources at levels requested by the CINCs. In fact, Sustainability growth from fiscal year 1980 to fiscal year 1990 has more than doubled that of force modernization. Readiness and Sustainability spending has risen from 60.5 percent of Navy Total Obligation Authority (TOA) from fiscal year 1983 to fiscal year 1987 to 63.5 percent of Navy TOA in the current budget for fiscal year 1988/1989. The important programs to which you refer are adequately funded.

Regarding the priority placed on the carrier replacement program, it is important to put it in perspective. During budget deliberations CVN procurement emerged as the most pressing priority and an even strain was placed across Navy programs to support our number one priority. If ships have to be retired because of funding reductions, based on CINCs stated requirements, carriers would be the last to go. The key point is that at any budget level, the carriers must be replaced and, the lower the topline is depressed, the greater the premium on replacement to avoid being eaten up by trying to operate and maintain aging carriers.

There is an additional area affected by this carrier replacement program which is absolutely vital to our readiness and that area is people. This program impacts time our people spend away from home, their quality of life at sea, the equipments we give them to operate and many other important aspects relating to job satisfaction and retention. Sustaining the proper number of carriers directly affects operational tempo—the rotation between deployed operations and stateside operations. Newer ships, of course, provide substantial quality of life advantages over those ships approaching their fifth decade of service. The kinds of equipment we give our personnel to operate provide clear signals about our concern—are they modern and up to date or are they nearly obsolete and maintenance intensive? People concerns are among my highest priorities and I will consider the impact on personnel in each and every decision as I assume my new position.

Most importantly, the carriers are critical to deterring aggression and adventurism. The bottom line comes down to this. Our national security strategy mandates a Navy sized around 15 deployable aircraft carriers, and we have an opportunity to sustain that goal at greatly reduced costs to the taxpayer.

INTENTIONS REGARDING WOMEN IN THE NAVY

Senator KENNEDY. The Navy appears to be the most restrictive of the three military departments in providing improved career opportunities for women. Both the Army and the Air Force have increased the number of positions open to women. The Navy on the other hand, appears to be moving in the other direction. Until the decision was overturned by Secretary Weinberger, the Navy planned to place a 5-year cap on the number of women in the service.

As Secretary of the Navy, would you seek to open more positions to women? Do you support the Navy's proposed cap on the number of women?

Mr. WEBB. As I mentioned in my hearing, I strongly support the assimilation of women into non-traditional career paths short of combat service in skills and units suitable to the needs of the service. In addition, I am told that to date there have been no responsible surveys measuring the experiences and attitudes of women in the Navy, particularly of enlisted women, regarding such matters as sea duty and isolated service. Nor does there appear to be any analysis of the pool of potential female enlistees in the general population regarding the impact of such policies on potential enlistees. I am prepared to conduct a thorough and objective examination of all current issues regarding women in the naval service, to report the findings to the Secretary of Defense, and to share the results with this committee, in a timely fashion.

QUESTIONS SUBMITTED BY SENATOR ALBERT GORE, JR.

FEMALE ISSUES IN MY PRESENT POSITION

Senator GORE. As Assistant Secretary of Defense, what issues pertaining to the role of women in the armed services has he dealt with, and how has he come down on those issues?

As Secretary, what issues does he foresee in this connection? Would he, for example, expect that demographic pressures (shortage of military age males) will push women into roles that are short of combat, but increasingly in harm's way? How might that apply, if at all, in the case of the Navy?

Mr. WEBB. Policies with respect to women in the Guard and Reserve directly mirror those of the active services. These policies have been implemented in their entirety. My primary interest has been to ensure that women in the National Guard and Reserve are provided equal opportunity for advancement and career development. I have ensured that my office is deeply involved in women's issues, and I appointed a member of my staff to work with and support the Defense Advisory Committee on Women in the Services (DACOWITS). I supported the Navy's legislative proposal, enacted last year, to remove gender based discrimination in the sea services for promotion to flag rank. In addition, my office was instrumental in the inclusion of data on reserve women in the publication "Military Women in the Department of Defense."

In addition, I have personally recruited and hired a number of women to serve on important positions on my staff. These include one of my senior budget analysts, a GS-15; my senior research assistant, who served 4 years active duty in the Air Force, was a Presidential Management Intern, and currently serves as a Captain in the Air Force Reserve; a senior manpower analyst, a Naval Reserve TAR who was the first female TAR to command reserve line units in Oakland; and a second senior manpower analyst, an Army lieutenant colonel.

[Whereupon, at 6:30 p.m., the nomination hearing was adjourned.]

[The nomination of James H. Webb, Jr., was reported to the Senate by Senator John W. Warner on April 8, 1987, with the recommendation that the nomination be confirmed. The nomination was confirmed by the Senate on April 9, 1987.]



**NOMINATION OF GEN. JOHN R. GALVIN TO THE POSITION
OF SUPREME ALLIED COMMANDER EUROPE, AND COM-
MANDER IN CHIEF, U.S. EUROPEAN COMMAND**

WEDNESDAY, MAY 20, 1987

**U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
*Washington, DC.***

The committee met in open session, pursuant to notice, at 3:45 p.m., in room SR-222, Russell Senate Office Building, Senator Sam Nunn (chairman) presiding.

Present: Senators Nunn, Exon, Levin, and Warner.

Staff present: Arnold L. Punaro, staff director; Romie L. Brownlee, deputy minority staff director; Patrick A. Tucker, minority counsel; Andrew S. Effron, counsel; Christine C. Dauth, chief clerk; Robert E. Bayer, Robert G. Bell, Richard D. Finn, Jr., William E. Hoehn, Jr., Ronald P. Kelly, T. Kirk McConnell, and Norman G. Mosher, professional staff members; Pamela G. Powell, staff assistant.

Also present: Jeffrey B. Subko, assistant to Senator Exon; Greg Weaver, assistant to Senator Levin; Milton D. Beach, assistant to Senator Glenn; William J. Wight, assistant to Senator Warner; Alan Ptak, assistant to Senator Gramm; and Patrick A. Putignano, assistant to Senator McCain.

OPENING STATEMENT OF SENATOR SAM NUNN, CHAIRMAN

Chairman NUNN. The hearing will come to order.

General Galvin, we are delighted to have you with us today. I deeply apologize for having kept you waiting all this time but, as you know, we have just heard a briefing that took longer than expected.

The Armed Services Committee meets this afternoon to conduct a hearing on the nomination of Gen. John Galvin to be Commander in Chief of the U.S. European Command or "CINCEUR." Unfortunately, the Iran/Contras Committee is holding a hearing upstairs at this very moment; therefore, I will have to leave after a short period of time.

The Armed Services Committee is very interested in what I consider to be one of the most important positions in our entire military command.

I would like to make it clear that the position to which the Senate has been asked for its advice and consent on Gen. John Galvin is a four-star position of Commander in Chief of the U.S. European Command.

By historical practice, however, the U.S. military officer who serves as CINCEUR has also been appointed by the NATO alliance to be its Supreme Allied Commander or SACEUR.

Therefore, the position to which the President has nominated General Galvin is extremely important to the security not only of the United States but of Western Europe as well.

If General Galvin is confirmed he would assume his new position at a very significant time in the history of the North Atlantic Treaty Organization. The ongoing arms control negotiations between the United States and the Soviet Union, as we all know, have very serious implications for the nuclear and conventional defense of our NATO alliance.

The alliance's senior military commander will be responsible for leading the alliance in building an effective deterrent in the wake of any arms control agreements that might be reached.

As much as we will welcome General Galvin to his new position, I must again repeat that we will all miss his predecessor, General Rogers. I have spoken in public many times about my deep respect and admiration for General Rogers, his leadership, and his candid, frank, and honest advice.

I am sure that all the members of this committee join me in looking forward to a similar relationship with General Galvin, a man we already know well. We have known him for a long time, and we have deep admiration for him.

General Galvin, you have achieved an impressive record of military service and you are certainly well prepared for this new assignment. I remember General "Shy" Meyer's comments to me when you took over as the commanding general of the 24th Infantry Division at Fort Stewart.

I believe that was in 1982?

General Galvin. Yes, Senator. 1982.

Chairman NUNN. 1982. General Meyer then stated that he felt you were one of the best thinkers in the United States Army on many subjects, including military strategy.

Certainly that overall viewpoint of General Meyer's has been confirmed by your outstanding record.

Chairman NUNN. Senator Warner, do you have any remarks?

Senator WARNER. Thank you, Mr. Chairman. I certainly want to associate myself with your remarks as they apply to General Rogers, who appeared before this committee throughout the 8 years that I have been privileged to be a member.

We have great admiration for him. I am sure that his successor will equal the contributions that General Rogers made.

I congratulate you, General, on this nomination. It comes about by virtue of an extraordinary record through many years of service to this Nation. The chairman's views and observations on arms control I share.

You will at some point in your career take over, perhaps in the wake of an agreement, hopefully one that is equally balanced and verifiable. But it may well place a burden on you to oversee the readjustment of priorities, particularly the priorities in terms of our weapons.

And also you will participate in the question of how we, in the face of a potential reduction of nuclear forces, continue to maintain

the doctrine of flexible response and what weapons may be needed. I will have questions on that later.

Thank you, Mr. Chairman.

Chairman NUNN. Senator Dixon has a prepared statement which will be inserted at this point.

[The prepared statement of Senator Dixon follows:]

PREPARED STATEMENT OF SENATOR ALAN J. DIXON

Mr. Chairman, we meet today to consider the nomination of Gen. John R. Galvin to be the Supreme Allied Commander Europe, and Commander in Chief, United States European Command.

General Galvin is an excellent choice to assume command of the NATO forces. He just recently completed a tour as Commander of Southern Command, and he would assume command at a time when our military faces a difficult time regarding readiness and sustainability.

A major question we all face today is this: Do our country's international commitments exceed our capabilities to fulfill all of them simultaneously? I will be interested in hearing from General Galvin regarding whether we should be taking a hard look at this question with our NATO allies and whether we should be redefining our international commitments.

Mr. Chairman, I will support the nomination of General Galvin.

Chairman NUNN. General Galvin, I am going to have to apologize in advance again, because I am 2 hours late for hearings upstairs on the Iranian Contra matter. So I am going to leave Senator Exon in charge here.

One thing about confirmation hearings. The absence of Senators is extremely good news for the prospective nominee. When everyone shows up for a confirmation, you know you've got a lot of trouble.

We all have a very high regard for you. I know Senator Exon will have a number of questions, and I will be following the answers to those questions. And the next time you appear before us it will be with everyone on schedule, and we will have a chance to go into it.

But I am confident that your confirmation will be accepted well by the Senate, and you will be confirmed by both the committee and the Senate in due order.

We hope to move it with dispatch, unless the Exon questions and rigorous cross-examination reveal something that we do not know this afternoon. I think we can move expeditiously.

Not being a lawyer, Senator Exon probably will not be too rigorous in his cross-examination.

Senator EXON. I will be thoughtful at least.

Senator WARNER. I will also return shortly.

Chairman NUNN. Let me see if General Galvin wants to make a statement before we go. You may want to say something in particular.

Senator EXON. I assume he would like to make an opening statement.

-Chairman NUNN. I would like to be here for that.

[The nomination reference of Gen. John R. Galvin, follows:]

NOMINATION REFERENCE

AS IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
March 3, 1987.

Ordered, That the following nomination be referred to the Committee on Armed Services:

The following-named officer under the provisions of Title 10, United States Code, Section 601, to be assigned to a position of importance and responsibility designated by the President under Title 10, United States Code, Section 601:

To be Supreme Allied Commander Europe, and Commander in Chief, United States European Command

Gen. John R. Galvin, United States Army.

[The résumé of service career of Gen. John R. Galvin, which was transmitted to the committee at the time the nomination was referred follows:]

RÉSUMÉ OF SERVICE CAREER OF JOHN ROGERS GALVIN, GENERAL

Date and place of birth: 13 May 1929, Melrose, Massachusetts.

Years of active commissioned service: Over 32.

Present assignment: Commander in Chief, United States Southern Command, Quarry Heights, Panama, APO Miami 34003, since March 1985.

Military schools attended:

The Infantry School, Basic Course.

The Armor School, Advanced Course.

United States Army Command and General Staff College.

United States Army War College.

Educational degrees:

United States Military Academy—BS Degree—Military Science; Columbia University—MA Degree—English.

Major duty assignments:

Student, Infantry Officer Basic Course, United States Army Infantry School, Fort Benning, Georgia, August 1954 to December 1954.

Platoon Leader and later Executive Officer, Company I, 65th Infantry, Camp Losey, Puerto Rico, February 1955 to December 1955.

Assistant Post S-2 (Intelligence) and S-3 (Operations), and later Post S-2 (Intelligence) and S-3 (Operations), Fort Brooke, Puerto Rico, January 1956 to October 1956.

Advisor to the Colombian Army Ranger School, United States Army Mission to Colombia, Bogota, Colombia, October 1956 to March 1958.

Platoon Leader, Company A, 1st Airborne Battle Group, 501st Infantry, 101st Airborne Division, Fort Campbell, Kentucky, March 1958 to July 1958.

Commander, Company A, 1st Airborne Battle Group, 501st Infantry, 101st Airborne Division, Fort Campbell, Kentucky, July 1958 to September 1958.

Executive Officer, Company A, 1st Airborne Battle Group, 501st Infantry, 101st Airborne Division, Fort Campbell, Kentucky, September 1958 to June 1959.

Assistant S-1 (Personnel), 1st Airborne Battle Group, 501st Infantry, 101st Airborne Division, Fort Campbell, Kentucky, June 1959 to October 1959.

Commander, Company B, 1st Airborne Battle Group, 501st Infantry, 101st Airborne Division, Fort Campbell, Kentucky, October 1959 to August 1960.

Student, Armor Officer Advanced Course, United States Army Armor School, Fort Knox, Kentucky, September 1960 to June 1961.

Student, Columbia University, New York, New York, July 1961 to August 1962.

Instructor, First and Third Class English and later Associate Professor, Department of English, United States Military Academy, West Point, New York, July 1962 to July 1965.

Student, United States Army Command and General Staff College, Fort Leavenworth, Kansas, July 1965 to June 1966.

Operations Officer, S-3 (Operations), 1st Brigade, 1st Infantry Division and later Logistics Plans Officer, Plans Branch, Plans and Operations Division, Office of the Assistant Chief of Staff, G-4 (Logistics), Headquarters, United States Army, Phuoc Vinh, Vietnam, June 1966 to December 1966.

Assistant G-3 (Plans), Office of the Assistant Chief of Staff, G-3 (Operations), 1st Cavalry Division (Airmobile), United States Army, Phuoc Vinh, Vietnam, December 1966 to May 1967.

Researcher and Writer, Office of the Secretary of Defense Task Force for National Security Policy, Washington, DC, July 1967 to November 1967.

Staff Officer, Special Projects Branch, Public Information Division, Office of the Chief of Information, United States Army, Washington, DC, December 1967 to February 1968.

Military Assistant and Aide to the Secretary of the Army, Office of the Secretary of the Army, Washington, DC, February 1968 to August 1969.

Assistant Chief of Staff, G-2 (Intelligence), 1st Cavalry Division (Airmobile), United States Army, Phuoc Vinh, Vietnam, September 1969 to April 1970.

Commander, 1st Battalion, 8th Cavalry, 1st Cavalry Division (Airmobile), United States Army, Phuoc Vinh, Vietnam, April 1970 to November 1970.

Combat Developments Staff Officer, Force Development Division, Doctrine Directorate and later Chief, Special Presentations Branch, United States Army Combat Developments Command, Fort Belvoir, Virginia, December 1970 to June 1972.

Student, United States Army War College, Carlisle Barracks, Pennsylvania, June 1972 to June 1973.

Deputy Secretary of the Joint Staff, United States European Command, June 1973 to May 1974.

Military Assistant to the Supreme Allied Commander Europe, Wuerzburg, May 1974 to May 1975.

Commander, Division Support Command, 3d Infantry Division (Mechanized), United States Army Europe, Wuerzburg, May 1975 to January 1977.

Chief of Staff, 3d Infantry Division (Mechanized), United States Army Europe, January 1977 to June 1978.

Assistant Division Commander, 8th Infantry Division (Mechanized), United States Army Europe, June 1978 to August 1980, Mainz.

Assistant Deputy Chief of Staff for Training, United States Army Training and Doctrine Command, Fort Monroe, Virginia, August 1980 to May 1981.

Commanding General, 24th Infantry Division (Mechanized) and Fort Stewart, Georgia, June 1981 to June 1983.

Commanding General, VII Corps, United States Army Europe, Stuttgart, July 1983 to February 1985.

Promotions	Dates of appointment	
	Temporary	Permanent
2LT		4 Jun 54.
1LT	15 Dec 55	4 Jun 57.
CPT	16 Aug 60	4 Jun 61.
MAJ	7 Aug 64	4 Jun 68.
LTC	15 Dec 67	4 Jun 75.
COL	1 Jul 74	4 Jun 78.
BG	1 Jul 78	1 Jun 81.
MG	1 Jul 81	22 Jan 82.
LTG	29 Jun 83	
GEN	25 Feb 85	

U.S. Decorations and badges:

Distinguished Service Medal.

Silver Star.

Legion of Merit (with 3 Oak Leaf Clusters).

Distinguished Flying Cross.

Soldier's Medal.

Bronze Star Medal (with 2 Oak Leaf Clusters).

Air Medals with V Device.

Combat Infantryman Badge.

Senior Parachutist Badge.

Ranger Tab.

Source of Commission: USMA.

Summary of Joint Experience: Advisor, Colombian Army Ranger School, United States Mission to Colombia, Bogata, Colombia, October 1956 to March 1958, First Lieutenant.

Researcher and Writer, Office of the Secretary of Defense Task Force for National Security Policy, Washington, DC, July 1967 to November 1967, Major.

Deputy Secretary of the Joint Staff, United States European Command, June 1973 to May 1974, Lieutenant Colonel.

Military Assistant to the Supreme Allied Commander, Europe, May 1974 to May 1975, Colonel.

Commander in Chief, United States Southern Command, Panama, March 1985 to Present, General.

STATEMENT OF GEN. JOHN R. GALVIN

General GALVIN. Mr. Chairman, I would like to just say a word.

I believe that my replacement, Gen. Fred Woerner, who will be coming in to Panama, is the man that we within the services have trained better than at any other time in the past to take over in Latin America today.

He served 3 years in Guatemala at the time that the Ambassador there was assassinated. And, indeed, General Woerner's car was also fired on there. And he luckily was unhurt.

He has served 4 years in Panama and 2 years in Colombia where he was working in foreign area officer training. He is married to a girl from Bolivia. He did his advance military training at the staff college in Montevideo, Uruguay.

He has done his university work here in the United States in Latin American affairs. He speaks fluent Spanish. Fred Woerner is a man that I am very content to have as the man who will be carrying on for us, for the United States in Latin America.

I would also like to say that the man who, with your confirmation, I will be replacing in Europe, Bernie Rogers, has been a man whom I have looked up to as an example throughout my career.

I am very proud to think that I would be selected to serve as a replacement for him. That is really all that I had for the committee, and I thank you very much for this opportunity to speak.

Senator Exon [presiding]. General, thank you very much. I want to join in welcoming you here.

I see no problem whatsoever with your appointment, and therefore we will make every attempt to have this confirmation hearing as brief as possible.

I think there may be several questions that we would like to submit for the record for you to answer.

Also, I hope that you would agree, that at any appropriate time that this committee feels compelled to ask you to come back for help and advice and consultation, that you would agree at this time to do so and give us your frank appraisal and answers.

Would you agree to that?

General GALVIN. Sir, I believe it is absolutely essential to have a good communication with the Congress. And I certainly would be agreeable to come back at any time that it would be requested by this committee or by the Congress.

Senator Exon. Thank you very much. General, I would just like to ask a few general questions of you, and then when Senator Warner returns he will have a few questions, possibly. And then we can wrap this up. I recognize you have not had a chance to take a close look at all of the difficult choices that you are going to have to make in your new command, and decisions that you will have to participate in.

But just for the record, could you possibly sum up what you see as of now as the key strengths and weaknesses of NATO, whether military, economic, political, or strategic in nature?

Have you established which challenges, as of now, you would like to tackle first in your important new assignment?

General GALVIN. I think, Senator, that some of those challenges will establish themselves for me. I probably will not have to trouble myself in seeing which ones will come first.

Obviously much of this will depend on how the key issue goes at the present time—and here I refer to INF and the decisions that have to be made here—and I assume it might even come before I take command on the 26th of June, as it is now scheduled.

Second, implementation of whatever those decisions are will be part of my responsibilities. I think that we have in this question one in which the whole world has a hope that we will be able to reduce the threat of a nuclear conflagration.

But at the same time we have the defense of Western Europe to consider. And that, of course, is what General Rogers has said, and I follow very closely his approach. That is what is being decided now, this week perhaps, in Europe with the meetings that have been ongoing.

I think that also in this we will have the question of the conventional forces and how those forces can be made stronger. There are a number of different facets of that, as you know. They include, the ability to work as a coalition in all the different ways. And second, such things as rationalization, standardization and interoperability, which we have followed for years.

So, first will come that question that involves the arrangements to be made with the Soviet Union and the Warsaw Pact on the reduction of nuclear weapons. And then second will be associated issues such as conventional weapons, conventional forces, chemical weaponry and others.

After that, I see questions and issues such as Spain and the basing, relationships with France, and a number of issues of cooperation among nations within the alliance. All of these appear to me to be on the front burner—the first issues that will come up during my tenure.

As you know, I have been also completely involved in what I am doing in Latin America. So therefore at this time I feel I have a lot of consultation to do with the other 15 nations' military officials and, of course, with the NATO Military Committee, before I would be able to feel fully content with how I myself would see the strategy for the next months and years.

I would assume, though, that by the time that I would be scheduled to appear again before this committee under the normal circumstances, which would probably be in January, roughly 6 months from now when I am sure you will be calling again for my comments on strategy and other matters, that I would be by that time completely up to speed in my own thinking about the strategy as well as having fully coordinated with the other nations, which obviously is vitally important to us too.

Senator EXON. General, thank you very much. And as you know from time to time members of this committee and other Members of the Senate come over there.

All of us want to give you all the help that we can, and I think you are going to find that to be from both sides of the aisle, and regardless of whether a Senator served even on this committee or not.

I would like to get your comment on what General Rogers has said on several occasions over the last few years.

And that is that under a full-scale conventional attack by the Soviet Union and its Warsaw Pact allies, NATO would very likely have to resort to an early use of nuclear weapons, battlefield weapons, possibly in a matter of days and not weeks or months, due to shortages of conventional ammunition as well as troops.

Do you feel that you have enough understanding of the situation there yet to agree with General Rogers on that statement?

General Rogers would never have made that statement unless he was convinced that it was totally accurate. And this committee always appreciated his frankness to share his concerns which is probably another way of saying, the United States of America and all our NATO allies had better recognize and realize that this is not likely to change very much unless we begin to act.

General Rogers' statement is a very clear message to us that we have not done enough, possibly as a country and we have not done enough as a member of NATO, nor has NATO as an organization done enough to prevail for a conventional attack.

Do you have any views on that at this time?

General GALVIN. Yes, Senator Exon, I do have views on that.

I am sure that you recall that it has been only 2 years since I was commanding VII Corps in Stuttgart under General Rogers. And prior to that I was the Assistant Division Commander of the 8th Division, also under General Rogers. Prior to that I was the Chief of Staff of the 3d Infantry Division, under General Haig and then General Rogers.

And throughout that period of time, I was convinced that what General Rogers was saying early on and what he is still saying today is absolutely correct. And that is that we are not in the position to defend Western Europe under full all-out attack by the Soviet Union and the Warsaw Pact without resorting to nuclear weapons. General Rogers is right.

I believe that his views, which I have studied during my years of experience in Europe, have been correct all along. I completely support those points that you mentioned, and I think you are quite accurately expressing what General Rogers has said again and again.

Senator EXON. Do you feel that during the last 2 or 3 years, since you left that command and took up your new responsibilities, with the Southern Command that overall there has been any significant change, strengthening or weakening with the NATO conventional warfare defense posture?

Or do you assume it is probably about the same?

General GALVIN. I assume it is probably about the same, sir.

Senator EXON. We hear a great deal today about the different options. The Soviets have proposed a so-called zero option agreement that would eliminate all of the INF and short range missiles in Europe.

The administration appears to favor this concept, as do our allies, with the possible exception of France and Germany. What is your view on this matter?

General GALVIN. Right now, Senator, I do not feel that really I have had the opportunity to study this and obviously to coordinate with the other nations or the Military Committee in NATO.

That makes it very difficult to comment. But I would say that as a military man I find that the position of General Rogers when he testified here in March is a good one. It is a position he has repeated on other occasions also—that he would prefer to have the full range, the full spectrum with which to respond to an all-out attack.

General Rogers sees some problems if pieces of the spectrum of flexible response are removed. At the same time it is clear that he is realistic enough to understand that there is going to be an agreement, that there is going to be a reduction, and that he may be missing pieces of that spectrum.

General Rogers then has gone on to say that he needs help if this is going to happen in order that he does have, and continues to maintain, the best full spectrum of improved capabilities, especially in the conventional field, to respond. I think that this position is a very good position.

I obviously reserve, at this time, the opportunity to get over there to meet with people on his staff, which will be mine later, and to get around the NATO nations and to find out for myself.

But at this time, since you are asking me and I feel an answer should be forthcoming from me, that is the best answer, sir, that I can give you.

Senator EXON. I think that is very fair and well thought out, General.

What about eliminating the SS-20s in Asia? Have you come to a determination on that?

As you know, Secretary Weinberger met with NATO defense ministers in Norway recently and seemed to have garnered some support, at least, for revising the current U.S. proposal in INF to require the elimination of all INF worldwide, including those in Asia.

It was reported that the Soviet Union would never agree to this. As you know, the Soviet Union has rejected this revision when it was suggested to them by Secretary Shultz within the last few weeks in Moscow.

Do you think the United States should refuse to sign an INF treaty if the Soviets insist on retaining some SS-20s in Asia?

General GALVIN. First, I believe, Senator, that we are in a very active, dynamic situation here, in which almost every day we seem to have changes and different views of things.

At the same time that all of this is going on, it is very difficult for somebody who is down there under the palm trees in Panama to keep up. I do think that Secretary Weinberger's approach, and that is to bring things down to zero, is a good approach.

Maybe it can be attained. I would reserve comment now because I simply do not know enough to comment on whether or not, if he is not able to get the zero approach with reference to the SS-20s, we should do a certain thing.

I do not feel qualified to say at this time.

Senator EXON. General, many of us, or at least this Senator is very much concerned about what I think is a striking imbalance in NATO today.

That is, the lack of any significant chemical weapon retaliatory or deterrent force on our side. As you know, this is a very hot political subject in Europe today, and it is a hot subject in the United States.

Do you generally hold the same concern with regard to our essential nakedness defense-wise and offensive-wise in chemical weapons in the NATO area as General Rogers does.

General GALVIN. I hold the same concerns that General Rogers does, Senator. Almost across the board I hold the same concerns that General Rogers does. It probably will not be surprising to know that my middle name is Rogers, although I have never used that to advance my career that I can remember.

Senator EXON. You are not twins or brothers. You are separate.

General GALVIN. No, but on that very serious question of our nakedness in terms of chemical warfare, I think General Rogers is absolutely correct.

Senator EXON. One last question.

Has there been anything that has changed your views, since you were before this committee the last time, with regard to the overall strength of the Contra forces?

Have you seen anything that could lead you to believe that the Sandinistas are any more receptive to peace overtures by their neighboring countries than they were before?

Is there anything positive or negative that you have seen since you appeared before this committee the last time that you would care to advise us?

General GALVIN. Thank you for that opportunity, Senator. I do feel that I have seen some things that are different since the last time I appeared just a short while ago before this committee.

First of all, the Contras are now deep in country, with about 11,000 or 12,000 troops. They are spread throughout the whole eastern half of the country and up into the north central part.

And they are being much more effective as a fighting force, as a guerrilla fighting force, than they ever were before.

At the same time all of this is not just about the Contras, as you know. It is about all of Central America, and indeed it is about the security of the United States.

And therefore it is a mix of things going on, leading at this point up to Escapulos, which will be the next important high point. That is where the plan of President Arias of Costa Rica will be studied, and where I am sure some kind of conclusions and possibly even agreements would be reached.

So I think we have the essence of a good approach here, in the sense that we have pressure—a physical pressure—on the Sandinistas on the part of the Contras. The Sandinistas are really feeling this.

All indications to me are that this is causing them great pressure. And at the same time we have a meeting coming up in which certain agreements and arrangements will be offered to the Sandinistas.

I would say that we are on a good track, if those agreements in the Arias plan can have both an idealistic and entirely commendable approach in terms of principles and ideals, and at the same time have some teeth.

If that were to happen, I think that there is a possibility that we can get some movement toward democracy in Nicaragua and therefore security for the neighbors of that country and a strengthened security of the south flank of the United States.

Senator EXON. Thank you very much, General. I would advise my two colleagues that I have asked a series of questions and indicated from the beginning that there would be some written questions that the General would be asked to respond to as quickly as possible.

We hope to conclude this meeting soon. I am sure that there will be questions from these two Senators, and for that purpose I now move to Senator Warner.

Senator WARNER. Thank you, Mr. Chairman.

The chairman indicated to me that there was some justifiable urgency in connection with this nomination, so I presume the chairman will then work out that schedule for reply to written questions consistent with the schedule that prompted the urgency.

General, Senator Quayle had hoped to be here today, but as you probably know Richard Perle is retiring and Senator Quayle is representing our side at those ceremonies. I could not go for a variety of reasons this afternoon.

But he asked that this question be asked as if he were present. What are your views with respect to the requirement for a Lance follow-on, first under the present order of battle in NATO second under an order of battle as revised by a zero-zero INF short range option?

General GALVIN. Senator, I, as you know, am not ready to answer that in detail. But I would say about the Lance follow-on that the SNF is going to be more and more important to us now as we see changes coming up in LR and SRINF. It would have to be.

So as General Rogers has said, and we discussed this a little earlier—

Senator EXON. We went through most of that.

Senator WARNER. You have the real question.

Senator EXON. It may be that the General has something to add.

General GALVIN. Well, I would like to say that as General Rogers has said, as certain pieces of the spectrum are removed from him and he sees this as, I believe he does, as something that is going to happen.

In other words, as we make whatever arrangements we are going to make with reference to LRINF and SRINF, he still is going to need that spectrum to be as complete as he can possibly have it in terms of his ability to have the flexibility to respond to an all-out attack.

I would say that because of that the follow-on system is important in the field of shorter range weaponry in the SNF, and I therefore think that that is very important, that we get that follow-on.

But more detailed than that, I am not ready to discuss simply because it has been 2 years since I have been away from Europe and NATO.

Senator WARNER. General, I appreciate that and respect your views. Mr. Chairman, I will put in questions and General Galvin, I wish you luck. I look forward to visiting you some day.

General GALVIN. Thank you, Senator. You are always welcome.

Senator EXON. We will have very few questions from this side, but there will be a few, General. I do not think it will be a very complicated answer.

I am glad to yield now to Senator Levin.

Senator LEVIN. Thank you, Mr. Chairman. First of all, let me congratulate you and welcome you, General.

General GALVIN. Thank you, sir.

Senator LEVIN. I would like to ask you your impression on the strategic and conventional balance, and I know you probably are not an expert on a number of aspects of either, and I respect that.

In fact, I am anxious that you not be pressed for conclusions before you feel comfortable to reach them. But do you have an impression, do you have an opinion as to whether we have greater shortfalls in the conventional balance or the strategic balance between ourselves and the Soviet Union?

General GALVIN. Well, I certainly think that General Rogers is correct in saying that the strategic-conventional balance between us and the Soviet Union is such that in an all-out attack, there would at some point probably early on have to be nuclear response.

I think that he has always said that. I mentioned earlier that it has only been 2 years since I was commanding VII Corps there. I felt at the time that he was completely right, and I feel that he still is.

Now I would hope, and I think it is probably dangerous to stray too far into this before I get there, but I would hope that one of the things to which I would dedicate myself, just as General Rogers has, is improvements in the conventional balance.

And those can come about in different ways. Some of that can be in improving our own ability to work together. And that would have to come with the help of the Congress and, of course, of the other nations.

And that would be to get better rationalization, as it has been called, or integration of our abilities. I would intend to work on that and discuss that very frankly with you in the future here.

And I want to look at other different ways in which our training and such things as an expansion of the idea of the Warrior Preparation Center, which I worked on with the Air Force when I was VII Corps Commander and is still a very healthy initiative today.

I would look toward ways in which we can train ourselves better to operate together.

Senator LEVIN. My question is somewhat different, actually. We have a strategic balance between ourselves and the Soviet Union. We have a conventional balance between ourselves, or imbalance between ourselves and the Soviet Union.

Do you have a feeling as to whether or not we have serious shortfalls on the strategic side?

General GALVIN. I do not really feel prepared to try to answer that question today, Senator.

Senator LEVIN. All right. I take it you do have a feeling that we have some significant shortfalls on the conventional side.

General GALVIN. Yes, I do.

Senator LEVIN. Now, that conventional balance is a complicated one. Sometimes people just want to count tanks and antitank equipment and so forth.

I know that you would agree that there are many factors that go into the conventional balance, including allies for one thing, training, quality, all kinds of factors other than a bean count.

As chairman of the new Conventional Forces Subcommittee, I would be most anxious after you become familiar with some of the current issues in Europe, if you would come back before our subcommittee and share with us a fresh look at the conventional balance.

General GALVIN. I would be delighted to do that, Senator.

That is obviously one of the most important things on my docket to look at right now. And I intend, when I get over there, to bring myself up to speed by going over carefully all of the different aspects of the conventional balance.

I had thought about that in my own mind over the past few weeks.

Senator LEVIN. Some people say we are a basket case conventionally. Other people feel we could possibly defend ourselves, even against an all-out attack.

We would like to get your slant on it after you have been there for a while and it is possible that we may even send you some materials which might be the subject of a hearing, in case other experts come in, so that you would know, what their opinions are so that you could be prepared to comment on their opinions when you came in.

General GALVIN. I would say to you that right now my feeling on the conventional balance is that we are not a basket case, but I tend to continue to agree with General Rogers that if a whole all-out attack comes, it is not long before you realize that conventionally we can be overwhelmed without the support of nuclear weapons.

Senator LEVIN. Would you like to see us be able to defend ourselves conventionally?

General GALVIN. Absolutely. I think that would be great.

Senator LEVIN. A number of our European allies are very queasy about that.

They feel that if we could defend ourselves conventionally that would raise the question of delinkage on the nuclear side, and have so expressed it to me.

They really are worried in a sense that if we are capable of defending ourselves conventionally that we might somehow or other remove that nuclear umbrella which they feel is a deterrent.

So when I asked you whether you would like to see us defend ourselves conventionally, it was a very, very serious question. Your answer is exactly the one that I give. I just say, of course we would.

I want to alert you that underneath the public rhetoric, privately you will find a lot of disquiet on the part of our allies. They will not answer that question quite the way you would, or I would.

General GALVIN. Well, there may be things that I do not know. But I would say right now that when you talk about linkages, you have to think about the 350,000 U.S. forces over there, U.S. troops and their families.

And beyond that you have to think that there are probably about that many Americans over there in the business world—and Europeans over here. So I think that linkage is also a very complex thing, as you very well know, Senator.

And I think that if the day ever came when there were no nuclear weapons and we had a conventional balance, there would not be a problem of linkages. But I may have a lot to learn. We will see.

Senator LEVIN. General, just one question in the area of burden-sharing. That is another area where we are going to be doing some work and holding some hearings.

I will tell you, folks back home are deeply troubled by what they know, which is that our allies in general, not every one, but in general, do not devote as large a percentage of their gross national product to defense as we do.

The figures are something like 7 percent of our GNP going to defense, 3 percent of NATO allies GNP, again I emphasize, on the average, going to defense. One percent of Japan's GNP going to defense.

And I know there are a lot of other complicating factors. Overflights in Germany, and how much land is dedicated. Whether you have got a volunteer army or a draft. Those things work both ways.

We have got to pay for a volunteer army. We may not have the political liability of having a draft, but we have got the political liability of raising the money to pay for a volunteer army.

But putting all that aside, there is a very strong feeling in the countryside, one that I share, that our allies have not in general done enough.

But the way, this is kind of exacerbated in the last few days when it is our ship and our boys that are hit in the Persian Gulf. Basically a gulf where European oil is being shipped. We get some oil from there.

But essentially that oil is going to Europe and Japan. And yet, we are the ones that are there. Now I think we have good reason to be there and a legitimate reason to be there, so I am not knocking that.

What I am suggesting, though, is our allies ought to be there too. Not outside, but inside the Persian Gulf. The figures I just got, 30 percent of Western Europe's oil, 60 percent of the Japanese oil, but only 7 percent of our oil comes from the Persian Gulf.

So they have got a responsibility. I think that the Germans and the French and the British and the Japanese have a responsibility too of maintaining open seas. They ought to be there.

Now I do not know how to force them to be there, and we should not duck our responsibility and not do what we have to do for our security, just because others do not do what they should for their security.

But I would hope that you would come back and suggest creative ways of putting some pressure on our allies to do what has to be done for the common defense. And that is tough for you to do. I understand that.

Because of the position you are in, you work with them every day. But I still would hope that when you do come back later on and we have these hearings, you could give us your position and some creative suggestions, privately if you cannot do this publicly, as to how we can get a little fairer shake from our allies in terms of burdensharing.

General GALVIN. I will do that, Senator. I particularly noticed in the hearing when General Rogers was here recently, that he emphasized some of these other things that our allies in Europe were doing.

I agree with you that it is something important for us to, first of all, understand what they are doing and in what ways they are doing things. And get a full picture of how much allies are contributing that go beyond simple bean counting. I know you agree with that.

I will take a hard look at that and come back and talk to you about that. I did feel when I was in Europe in other years here in the past, that there were a lot of hidden things that the allies were doing.

But there are a lot of hidden things that we are doing too.

Senator LEVIN. Thank you very much, Mr. Chairman.

Senator EXON. Thank you very much, Senator Levin. I would just like to follow up on the point that Senator Levin had made.

I just want to say, General, that there probably is too much going on in the alliance today about pointing fingers about who is doing what and so forth and so on.

I just hope that you will keep telling our allies that there are increasing concerns heard out in Nebraska, regarding the troops we still have in Europe over 40 years after the war.

I do see the need for troops over there as a tripwire and a contribution to NATO. It would be very difficult to pull them out, and I do not think there is any real plan to do that now. But I think the Europeans sometimes take for granted the fact that we are there and we are always going to be there.

I am quite sure that as we become more involved, as we seemingly are, in the Persian Gulf area, we will have to review this commitment to NATO and a new one to the Persian Gulf.

When the American people come to the understanding that we are over there trying to play the role of the superpower, they can agree with that.

But when the word is finally understood around America that we are not relying basically as a nation on the oil coming out that region of the world, and the fact that we are doing the work of our other allies, I am fearful that we are going to have more and more political problems here at home, just as the European political leaders have problems there at home with all the various factions that must be dealt with.

So I do think it is particularly important that our allies show more strength in Europe and the Persian Gulf. I believe it is true,

although it is not generally recognized, that the French and the British do have some ships in the Persian Gulf area today.

I assume that they were in the Persian Gulf. They may be outside the gulf, but I think they are somewhere in the gulf.

But we need more, I think, to convince the American people that they are not being called upon to bear the costs, or bear the loss of their soldiers, sailors, airmen to keep open the gulf for oil that we do not directly rely on.

I can see this coming down the pike as a pretty big political problem, and the Europeans better understand that we have got political problems over here as well as they have over there.

So the dual command that you would have over there brings you into direct contact on a daily basis with at least the military leadership of those countries, and I hope that you will keep carrying that message to them as I am sure you will.

It is a very real problem, and it is going to get a whole lot worse before it gets a whole lot better. I have no further questions.

Senator LEVIN. Thank you. By the way I just want to say I totally share what our chairman has just said, and the way he phrased it. I think it is a message which has got to be transmitted to our allies.

There is a lot of debate and discussion in hearings going on now about the Contra matter. I just want to ask you a general question about the Boland amendment. Are you familiar with the amendment?

General GAVLIN. I have been looking at amendments today, several different ones.

Senator LEVIN. Well, this is the version that was in effect from October 1, 1984, to August 15, 1985.

General GALVIN. Yes, I am familiar with that.

Senator LEVIN. You are familiar with that one. It covers the DOD. So I just want to ask you a general question as to whether or not you are satisfied that you fully complied with the Boland amendment.

General GALVIN. I am absolutely satisfied that as Commander in Chief down there, I fully complied with the Boland amendment.

To my knowledge to this day my subordinates have also fully complied, and there is no problem from the point of view of the Defense Department, and specifically Southern Command, with compliance with the Boland amendment.

Senator LEVIN. Thank you, General.

General GALVIN. Yes, sir.

Senator EXON. General, thank you very much. I see nothing but sunshine ahead for your nomination.

Please respond as quickly as you can to our questions for the record. We will have a meeting as quickly as we can to get this committee together, at least on an informal basis to report this out to the floor.

And we are all pressing for an early approval of your nomination. Congratulations, and keep in close touch with us.

General GALVIN. Thank you, sir. I deeply appreciate the fact that you took the time today to hold this meeting.

[Questions for the hearing record, with answers supplied, follow:]

QUESTIONS SUBMITTED BY SENATOR SAM NUNN

NATO COOPERATIVE R&D PROGRAM

Senator NUNN. General Galvin, 2 years ago, this committee started a program of NATO cooperative R&D projects. There are now a dozen such projects underway and more are in negotiation. Do you support this program?

General GALVIN. We welcome the impetus given by the Senate Armed Services Committee to this program of enhanced armaments cooperation in NATO. It provides a clear demonstration of our commitment to the collective defense of Europe. It is also a necessary step in overcoming traditional national prejudices and prerogatives associated with defense programs and should help all nations to focus better on getting the most from our collective use of defense resources.

MISSILES IN EUROPE

Senator NUNN. The Soviets have proposed a so-called "double-zero" agreement that would eliminate all INF and all shorter-range INF [SRINF] missiles in Europe. The administration appears to favor this concept, as do all our allies except France and, possibly, Germany.

If the administration, and the allies agree to accept the "double-zero" proposal, what nuclear force improvements do you believe would be required at the tactical or battlefield level—that is, in systems with ranges below 300 miles?

Would you favor assigning a dedicated force of cruise missiles on submarines or surface ships to SACEUR to strengthen nuclear coupling in Europe?

To what extent would the 1983 Montebello decision unilaterally reducing U.S. tactical nuclear systems have to be reconsidered?

General GALVIN. The so-called double-zero option concerns a host of complicated political and military issues which involve not only fielded military capabilities but equally important psychological and political perceptions.

There is a wide spectrum of expert opinion on the most recent zero-zero proposals and by definition, subjective judgment plays heavily in this subject. The ultimate questions are whether or not our currently fielded capabilities are adequate to execute alliance and U.S. national strategy with a reasonable assurance of success and whether the level of deterrence is adequate.

I support General Rogers' policies and believe that an intensified effort to improve NATO's conventional forces is vitally important. I also think that removal of intermediate-range missiles from Europe, which are also a deterrent against conventional war, should be balanced by the forces required to ensure that we have the capability to implement the alliance's strategy of Flexible Response. It would be presumptuous for me to give specific absolutes on these issues until I've had the opportunity to assess the situation first hand. In this regard, I have established as my priorities during the first 6 months as follows:

Gain a fuller understanding of U.S. and Allied views of the deterrence and war-fighting dimensions of the strategy of Flexible Responses:

With that understanding, assess the role of arms control, both as a generic issue and in light of the most recent proposals, and its effect on my military responsibilities for executing that strategy in peacetime and in war;

Evaluate the total requirements—political, economic and military—for executing that strategy and the current shares of the effort being borne by each NATO nation;

Assess the role and capabilities of conventional forces—now and in an improved state—in raising the nuclear threshold so that we can deter at every level and thus, deter not only war but political intimidation.

NATO'S CONVENTIONAL LEVEL PROBLEMS

Senator NUNN. Since NATO's biggest problem is at the conventional level, one would think that the alliance would be taking the lead in trying to engage the Soviet Union in meaningful negotiations on major and stabilizing reductions in forward-deployed forces. Yet General Secretary Gorbachev has put NATO on the defensive in terms of conventional arms control, and we have yet to agree among ourselves on the substance of a counter-offer.

Why do you think NATO has been unable to formulate bold and innovative conventional arms control proposals?

What is the future of MBFR? Should it go on if the new negotiations on conventional arms reductions from the Atlantic to the Urals get underway?

In a speech in Brussels last month, I sketched out a proposal for an asymmetrical reduction of forward-deployed forces in Central Europe in which the Soviets would

remove some thirteen divisions and the United States would withdraw two-plus divisions. This would amount to about a 50 percent reduction by each side of currently deployed forces. What is your assessment of that suggestion?

General GALVIN. As a corps commander in Europe from 1983 to 1985, I operated at the tactical level of conventional war. Since that time, I have been totally immersed in defining and developing the means to fight a low intensity war in Latin America. Thus, I have had little time to ponder the stalemate in the MBFR negotiations.

However, it is my view that the issue of arms control for any of the escalatory states of Flexible Response cannot be viewed in isolation; rather, it must be viewed in full light of the threat and our strategy for deterring that threat—politically and militarily. To the extent that there are serious asymmetries at one end of the spectrum of conflict in Europe, we accept risk of excessive dependence on deterrence at the nuclear level.

If history is any lesson, then it should be clear that meaningful arms control negotiations have taken place when both sides deal from a position of strength.

Just as the alliance took the difficult political choice to field Pershing II and GLCM while pursuing arms control in 1979, member nations must now fulfill commitments made with regard to budgetary expenditures—3 percent annual increase—and to improved outputs as approved by the NATO Ministers in 1985 for inclusion in national Force Goals in order to approach an equitable balance in conventional forces. At the same time there could be conventional arms control negotiations outside the MBFR framework. The terms suggested by Senator Nunn in Brussels come to mind as one approach worth closer examination. Addressing only reductions of East and West manpower as now discussed in MBFR, doesn't seem to me to really get at the problem.

AMERICA'S COMMITMENT TO REINFORCE EUROPE

Senator NUNN. General Galvin, some observers believe that the United States has an inappropriate division of military labor with our NATO allies. A key concern is America's commitment to rapidly reinforce Europe with heavily armored and mechanized divisions. The strategic mobility required to rapidly deploy these forces or the pre-positioning of equipment for such forces is staggering. Given the European military manpower that is potentially available, it would be much more logical for the Europeans to provide more heavy ground combat formations and for the United States to emphasize capabilities that we can more easily bring to bear, like tactical air.

Do you believe that the alliance has an inappropriate division of military labor, especially regarding the extensive U.S. commitment of heavy divisions?

General GALVIN. Narrow statistical burdensharing arguments have characterized intra-alliance debate for the past three decades. To focus exclusively on the narrow military aspects of burdensharing—and even here, there is honest disagreement on national contributions—is to miss the broader underpinnings of our alliance effort. It is an effort which involves political and economic as well as military contributions.

If burdensharing could be exactly quantified, the task of ensuring that everyone contributed "his fair share" would be easy. National willingness to assume political, economic and military burdens depends on national perception of threat and risk. The best answer to the question of military burdensharing may well be that not all allies are doing poorly and therefore they should not be lumped together. Second, we ourselves are guilty of inconsistency in our own policy choices and have often led our NATO allies down one path only to change course with little or no warning.

As I indicated in my earlier response, I must withhold judgment on the specifics of burdensharing until I have a full appreciation for the intricacies of Flexible Response and the force requirements to successfully deter at every level. My judgments will be based on the understanding that collective efforts for military security underwrite our ability to effectively use other policy instrumentalities. NATO's member nations can only make progress together since our collective futures are inextricably intertwined. That progress has a price which must be shared by all. The question is whether *in toto*, each member nation shares equitably and efficiently in the various political, economic and military taxes and burdens that will perpetuate our Western ideals of peace and prosperity with freedom.

BALANCED TECHNOLOGY INITIATIVE

Senator NUNN. General Galvin, last year, this committee introduced an initiative called the Balanced Technology Initiative, which is intended to address many of our

conventional defense shortcomings. It is meant to focus long-term research on ways to increase the rate of obsolescence of Soviet ground-force equipment, doctrine and tactics—kind of a “leapfrogging” strategy, rather than making marginal improvements in our own weapons. This year, the committee continued the BTI and earmarked \$500 million for both new and ongoing projects. General Galvin, do you support this initiative?

General GALVIN. The Balanced Technology Initiative (BTI) is both an innovative and needed means to address known conventional shortcomings and serves as a companion piece to our traditional research, development and acquisition process. Indeed, we and our allies do need to take steps which will allow Western weapons technology to leapfrog Warsaw Pact technological improvements and, in particular, to redress the Pact's numerical superiority in many categories of fielded weapons and forces.

NATO'S FORWARD DEFENSE STRATEGY

Senator NUNN. General Galvin, NATO's forward defense strategy, designed to protect every inch of West German soil, appears to be a political strategy, not a military strategy.

From a military perspective, is NATO's forward defense strategy a sound coordination of NATO's military means and political ends?

General GALVIN. As General Rogers indicated to this committee in March, should deterrence fail, the strategy of Flexible Response envisions the use of the following responses to restore the territorial integrity and security of NATO:

Direct defense to defeat an attack or place the burden on the aggressor.

Deliberate escalation on NATO's part, to include the use of nuclear weapons.

General Nuclear Response.

NATO is committed politically and militarily to the Forward Defense of all NATO territory. Good military theory would say that you must destroy initial attacks from Warsaw Pact ground and air forces while at the same time delaying disrupting and destroying follow on forces if the conventional defense is to be successful.

Stationing troops forward and in defense in depth offers no early encouragement to enemy forces by allowing early success and avoids the necessity of having to retake ground ceded to the enemy. While serving as a Corps Commander in Germany, I did not envision direct defense as a thin line of troops along the border; rather, I deployed my forces in depth in the best defensible terrain near the border with a covering force to develop the battle between those forces and the border. I also maintain a sizable reserve, up to one-third of my force, which emphasized flexibility, firepower, mobility, speed, surprise, initiative and maneuver to seize the initiative from the attacker and turn it to my own advantage.

ARMOR/ANTIARMOR BALANCE

Senator NUNN. In a recent interview in Armed Forces Journal (May 1987), Phil Karber, a respected defense analyst, said about the widespread Soviet deployment of reactive armor, and I quote:

“I can't think of a Soviet conventional technology in the last 20 years that has come on so fast with such profound implications for the balance.”

At another point, Mr. Karber asserted:

“Conservatively, 95 percent of NATO's infantry antitank capability is hurt by Soviet reactive armor.”

General Galvin, do you agree with Mr. Karber's assessment of the armor/anti-armor balance?

General GALVIN. Mr. Karber's interview is in two parts, the second of which will be published in June. However, if the assessment prescribed in the first part of the interview is true, we must concern ourselves both with the rapidity with which reactive armor has been deployed and a true assessment of how that deployment impacts on our ability to conduct a forward defense in depth with ATGMs while retaining a defensive maneuver capability based on tanks. Perhaps the most significant statement of the interview is that which notes that “the Soviets ignored a threat for which there was no solution—Kinetic rounds—and concentrated on a capability which could be greatly reduced [ATGM's].” Put another way, Mr. Karber raises the question of traditional Western reliance on quality to offset Soviet numerical advantage. I look forward to his further analysis and recommended solutions next month.

QUESTIONS SUBMITTED BY SENATOR JOHN WARNER

SOVIET TANKS IN EUROPE

Senator WARNER. Recent reports indicate that the Soviets may now have over 6,000 of their tanks in Europe equipped with reactive armor. Assuming the reports are true, what is the effect on the conventional balance of forces in Europe and how would you plan to cope with it?

General GALVIN. To prescribe specific solutions without detailed knowledge of NATO's capabilities—fielded and on the drawing board—would be inappropriate at this early date. However, if the reports are true, then NATO's reliance on ATGM's to offset Soviet/Warsaw Pact numerical superiority in tanks may be jeopardized. There are a variety of solutions—some technological, some doctrinal, and some economic—which involve greater commitments to conventional defense expenditures or continued acceptance of General Rogers' often declared need to resort to first use of nuclear weapons should our direct defense be overwhelmed in the early stages of the war.

BRADLEY FIGHTING VEHICLE

Senator WARNER. General Galvin, occasionally we read in the press reports regarding the Bradley fighting vehicle. I would be interested in hearing your assessment of this vehicle.

General GALVIN. Several Bradley battalions were fielded in the 3rd Infantry Division while I was VII Corps Commander and we worked hard to field it properly and integrate it into the M-1/Bradley maneuver teams. Clearly we must understand that the Bradley is intended to be employed within a tactical environment that includes a mix of air and ground fighting systems. In my view the improvements in close combat capability represented by the Bradley fighting vehicle and Abrams tank have been dramatic.

STANDARDIZATION AND INTEROPERABILITY

Senator WARNER. One of the critical issues continually confronting this committee is that of standardization and interoperability among our forces in NATO. The most recent report on standardization in NATO dated April 1987 indicates that while we are making progress, a great deal more needs to be done to strengthen NATO's conventional defense capabilities. I would be interested to hear your views and any thoughts you have for further improvement in this vital area.

General GALVIN. Rationalization, Standardization, Interoperability [RSI] is clearly an important key to our ability to make the best use of limited defense resources available in each of the member nations. To the extent nations continue to argue for national prerogatives in R&D and the production of weapon systems, however, we will not reach desired levels of efficiency in collective use of resources. The Soviets have maintained their numerical superiority while closing the technological gap. The leadership of Secretary Taft, coupled with the efforts of the NATO Conference of National Armaments and the permanent representatives and backed by the efforts of this committee in funding NATO Cooperative R&D Programs, Side-by-Side Testing, the Balanced Technology Initiative [BTI] and the Conventional Defense Initiative [CDI] are useful steps in redressing the imbalances and adverse trends. Each of the programs will require adequate further funding and the political will to carry these cooperative R&D programs into production. Of course, should any cooperative program become economically and militarily unsound, it should be terminated.

Senator EXON. Thank you, and we are adjourned.

[Whereupon, at 4:40 p.m. the meeting was adjourned.]

[The nomination of Gen. John R. Galvin was reported to the Senate by Senator Nunn on May 28, 1987, with the recommendation that the nomination be confirmed. The nomination was confirmed by the Senate on June 3, 1987.]

**NOMINATION OF GEN. CARL E. VUONO, U.S. ARMY, TO BE
THE U.S. ARMY CHIEF OF STAFF**

WEDNESDAY, JUNE 10, 1987

**U.S. SENATE,
ARMED SERVICES COMMITTEE,
Washington, DC.**

The committee was convened in open session, pursuant to notice, at 9:35 a.m., in room SR-222, Russell Senate Office Building, Senator Sam Nunn (chairman) presiding.

Present: Senators Nunn, Levin, Dixon, Shelby, Warner, Thurmond, Humphrey, Wilson, Symms, and McCain.

Staff present: Arnold L. Punaro, staff director; Carl M. Smith, staff director for the minority; Romie L. Brownlee, deputy minority staff director; Jeffrey H. Smith, general counsel; Patrick A. Tucker, minority counsel; and Andrew S. Effron, counsel; Robert E. Bayer; John J. Hamre; George K. Johnson, Jr.; Ronald P. Kelly; James R. Locher III; David S. Lyles; and Frederick F.Y. Pang, professional staff members; Pamela G. Powell, staff assistant.

Also present: Jeffrey B. Subko, assistant to Senator Exon; Greg Weaver, assistant to Senator Levin; William J. Lynn, assistant to Senator Kennedy; Donald A. Mitchell, assistant to Senator Glenn; Terrence Lynch, assistant to Senator Shelby; William J. Wight, assistant to Senator Warner; Mark J. Albrecht, assistant to Senator Wilson; Alan Ptak, assistant to Senator Gramm; Samuel J. Routson, assistant to Senator Symms; and Patrick A. Putignano, assistant to Senator McCain.

OPENING STATEMENT OF SENATOR SAM NUNN, CHAIRMAN

Chairman NUNN. We meet today to consider the nomination of Gen. Carl Vuono of the U.S. Army to be the Army Chief of Staff.

General Vuono is presently the Commanding General of the U.S. Army Training and Doctrine Command, and has held that position since June of 1986. General Vuono comes to this job with a broad range of experience within the Army.

He started as an artillery officer. He served 2 years in Vietnam. He served in Europe, most recently as Commanding General of the 8th Infantry Division. General Vuono has served in several capacities in the Army staff, most recently as Deputy Chief of Staff, Operations and Plans.

General Vuono has been nominated for this position at a key time in the transition of the Army, and an important time in the transition of the Defense Department. The Army is in the middle of a major equipment modernization program.

This is a very important issue in light of recent proposals to remove short and intermediate range nuclear missiles in Europe. That will heighten concern for conventional force imbalances at the same time the Army is beginning to cut back on this modernization program.

In terms of transition within the Department of Defense, General Vuono will become the first Army Chief of Staff to be confirmed following the Goldwater-Nichols Reorganization Act. And if confirmed in that position, General, you will have to take the responsibilities to carry out this act as we move forward.

We welcome you here this morning. After we hear from our distinguished ranking member, Senator Warner, we will ask you for any opening comments. Then we will have questions.

Senator WARNER. Thank you, Mr. Chairman. I would like to participate in introducing this distinguished career Army officer. As you noted in your opening statement he is now serving the Army with great responsibility in the Commonwealth of Virginia, as Commanding General of the Training and Doctrine Command.

I am pleased to join with you in expressing our confidence in the candidate and with the full expectation that he will be confirmed by the Senate. I have looked over his biography, as did the chairman, and I would like to ask that my complete statement be made part of the record.

The General has led American soldiers for 30 years at each level from platoon to division in this Army during his career. He has been instrumental in the great strides made by the Army in training, organization, and doctrine.

In seeking the views of his peers and others, he is characterized as being in the mold of General Omar Bradley, a soldier's soldier. I have full expectation that he will carry that forward in his tenure as Chief of Staff. Thank you, Mr. Chairman.

Senator NUNN. Senator Dixon has submitted a prepared statement to be entered into the record at this point.

[The prepared statements of Senator Warner and Senator Dixon follow:]

PREPARED STATEMENT OF SENATOR JOHN WARNER

Mr. Chairman, it is a great honor this morning for me to take part in the introduction to this committee of General Carl E. Vuono, who has been nominated by the President to serve as the thirty-second Chief of Staff of the United States Army.

As you have stated, General Vuono is presently the Commanding General, U.S. Army Training and Doctrine Command, Fort Monroe, Virginia. His career has been characterized by a fierce dedication to the people of the Army and the attainment of excellence in the most demanding jobs the Army has to offer.

General Vuono was commissioned a Second Lieutenant in the field artillery from the U.S. Military Academy in 1957. He has held a wide variety of important command and staff positions including service as an Exchange Officer in the United Kingdom, with the 7th Royal Horse Artillery, 16th Parachute Group, Hampshire, England. He commanded two field artillery battalions in Vietnam during the height of those hostilities. Upon his return from his second combat tour in Vietnam, General Vuono was assigned as an Operations Research System Analyst, at Headquarters, Department of the Army. Subsequent Pentagon assignments included service as the Executive Officer, Office of Project Manager for Reorganization of the Army, and Chief, Budget Division, office of the Deputy Chief of Staff for Personnel. He then commanded the Division Artillery, 82nd Airborne Division and returned to the Department of the Army where he served, with distinction, as Executive to the Army Chief of Staff. Promoted to general officer, he was assigned as Assistant Division Commander, 1st Infantry Division and subsequently as the Commanding Gen-

eral, 8th Infantry Division, U.S. Army Europe. Upon his return to the United States, he was assigned as the Deputy Commanding General, U.S. Army Training and Doctrine Command, Fort Monroe, Virginia and later as the Deputy Chief of Staff for Operations and Plans, Department of the Army.

General Vuono holds a Master of Science Degree in Public Administration from Shippensburg State College and has completed the Field Artillery School, the United States Marine Corps Command and General Staff College and the Army War College.

Awards and decorations include the Distinguished Service Medal, the Legion of Merit, Bronze Star Medal (with five oak leaf clusters including one award for valor in the Republic of Vietnam), Meritorious Service Medal, ten Air Medals and the Army Commendation Medal (with four oak leaf clusters).

General Vuono is married to the former Patricia A. Hall, and they have three children: Katherine, Timothy and Jeffrey.

General Vuono has led American soldiers for thirty years at each level from platoon to division in this country, Korea, Vietnam and Europe. He has been instrumental in the great strides made by the Army in training, organization and doctrine. He follows in the footsteps of that great soldier, leader and patriot, General Omar Bradley: He is a soldier's soldier.

PREPARED STATEMENT BY SENATOR ALAN J. DIXON

Mr. Chairman, today we will be considering the nomination of General Carl E. Vuono to be Chief of Staff of the United States Army.

General Vuono has served his country as an Army officer since being commissioned a second lieutenant upon graduation from the United States Military Academy in 1957. He has served his country with distinction for 30 years, holding a wide variety of important command and staff positions, such as Deputy Chief of Staff for Operations and Plans and his current position as Commanding General of the Army's Training and Doctrine Command.

I feel that General Vuono's wide range of experience as a commander of troops and his many staff positions gives him the leadership background which is required for this vital position. I look forward to hearing from General Vuono and I will support his nomination.

Thank you, Mr. Chairman.

Chairman NUNN. Thank you, Senator Warner.

The nomination reference and résumé of service career of General Vuono will be inserted into the record at this point.

[The nomination reference of Gen. Carl E. Vuono follows:]

NOMINATION REFERENCE

AS IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
April 23, 1987.

Ordered, That the following nomination be referred to the Committee on Armed Services:

The following-named officer under the provisions of Title 10, United States Code, Section 601, to be assigned to a position of importance and responsibility designated by the President under Title 10, United States Code, Section 3033:

To be Chief of Staff, United States Army

Gen. Carl E. Vuono, United States Army.

[The résumé of service career of Gen. Carl E. Vuono, which was transmitted to the committee at the time the nomination was referred follows:]

RÉSUMÉ OF SERVICE CAREER OF CARL EDWARD VUONO, GENERAL

Date and place of birth: October 18, 1934, Monongahela, Pennsylvania.

Years of active commissioned service: Over 30.

Present assignment: Chief of Staff, United States Army, Washington, DC 20310-0200, since June 1987.

Military schools attended: The Artillery School, Basic and Advanced Courses; United States Marine Corps Command and Staff College; United States Army War College.

Educational degrees: United States Military Academy—BS Degree—Military Science; Shippenburg State College—MS Degree—Public Administration.

Major duty assignments:

Assistant Executive Officer/Platoon Leader, Howitzer Company, 1st Reconnaissance Battalion, 3rd Armored Cavalry Regiment, Fort Meade, Maryland, August 1958 to November 1959.

Commander, Howitzer Battery, 3rd Reconnaissance Squadron, 3rd Armored Cavalry Regiment, Fort Meade, Maryland, December 1959 to June 1960.

Assistant S-3, 5th Howitzer Battalion (105/155mm(SP)), 82nd Artillery Regiment, 1st Cavalry Division Artillery, 1st Cavalry Division, Korea, August 1960 to October 1960.

S-3, 5th Howitzer Battalion (105/155mm(SP)), 82nd Artillery Regiment, 1st Cavalry Division Artillery, 1st Cavalry Division, Korea, October 1960 to August 1961.

Student, Artillery Officer Career Course, United States Army Air Defense School, Fort Bliss, Texas, and United States Army Artillery School, Fort Sill, Oklahoma, October 1961 to July 1962.

Assistant S-3, XVIII Airborne Corps Artillery, XVIII Airborne Corps, Fort Bragg, North Carolina, July 1962 to September 1963.

Commander, Headquarters Battery, XVIII Airborne Corps Artillery, XVIII Airborne Corps, Fort Bragg, North Carolina, September 1963 to December 1963.

United States/United Kingdom Exchange Officer for duty with the British 7th Royal Horse Artillery (Parachute), 16th Parachute Group, Aldershot, Hampshire, England, December 1963 to February 1965.

Team Chief, Fire Support Coordination Element, VII Corps Artillery, VII Corps, United States Army Europe, February 1965 to June 1966.

Executive Officer, 1st Battalion, 7th Artillery Regiment, 1st Infantry Division, United States Army Pacific (Vietnam), June 1966 to May 1967.

Student, Marine Corps Command and Staff College, Quantico, Virginia, May 1967 to May 1968.

Personnel Management Officer, Assignment Section, Field Artillery Branch, Officer Personnel Directorate, Office of Personnel Operations, Washington, D.C., June 1968 to June 1970.

Executive Officer, 1st Cavalry Division Artillery (Airmobile), 1st Cavalry Division, United States Army, Vietnam, June 1970 to December 1970.

Commander, 1st Battalion, 77th Artillery Regiment (later 21st Artillery Regiment), 1st Cavalry Division (Airmobile), United States Army, Vietnam, December 1970 to July 1971.

Operations Research/Systems Analyst, Office of the Vice Chief of Staff, United States Army, Washington, D.C., July 1971 to March 1972.

Executive Officer for the Office of the Project Manager for Reorganization of the Army (QPRM), Office of the Chief of Staff, United States Army, Washington, D.C., March 1972 to June 1972.

Student, United States Army War College, Carlisle Barracks, Pennsylvania, June 1972 to June 1973.

Chief, Budget Division, Plans, Programming, and Budget Directorate, Office of the Deputy Chief of Staff for Personnel, United States Army, Washington, D.C., June 1973 to January 1975.

Commander, Division Artillery, 82d Airborne Division, Fort Bragg, North Carolina, January 1975 to August 1976.

Executive to the Chief of Staff, United States Army, Washington, D.C., September 1976 to August 1977.

Assistant Division Commander, 1st Infantry Division (Mechanized), Fort Riley, Kansas, August 1977 to August 1979.

Deputy Chief of Staff for Combat Development, United States Army Training and Doctrine Command, Fort Monroe, Virginia, August 1979 to June 1981.

Commanding General, 8th Infantry Division (Mechanized), United States Army Europe, June 1981 to June 1983.

Deputy Commanding General, United States Army Training and Doctrine Command/Commanding General, United States Army Combined Arms Center and Fort Leavenworth, Kansas, June 1983 to June 1985.

Deputy Chief of Staff for Operations and Plans, United States Army, Washington, D.C., June 1985 to June 1986.

Commanding General, United States Army Training and Doctrine Command, Fort Monroe, Virginia, June 1986 to June 1987.

Promotions: Dates of appointment		
	Temporary	Permanent
2LT		4 Jun 57.
1LT	4 Dec 58.....	4 Jun 60.
CPT	18 Dec 61.....	4 Jun 64.
MAJ	3 Aug 65.....	4 Jun 71.
LTC	14 Aug 68.....	4 Jun 78.
COL	1 Feb 74.....	4 Jun 81.
BG	13 Jan 77.....	
MG	1 Jul 80.....	22 Jan 82.
LTG	23 Jun 83.....	
GEN		1 Jul 86.

U.S. decorations and badges:

Distinguished Service Medal.

Legion of Merit.

Bronze Star Medal with V Device (with 5 Oak Leaf Clusters).

Meritorious Service Medal.

Air Medals.

Army Commendation Medal (with 4 Oak Leaf Clusters).

Master Parachutist Badge.

Joint Chiefs of Staff Identification Badge.

Army General Staff Identification Badge.

Source of commission: USMA.

Summary of joint experience:

United States/United Kingdom Exchange Officer for duty with British 7th Royal Horse Artillery (Parachute), 16th Parachute Group, Aldershot, Hampshire England, December 1963 to February 1965, Captain.

Executive to the Chief of Staff, Army, Office of the Chief of Staff, Washington, DC,¹ September 1976 to August 1977, Colonel/Brigadier General.

Deputy Chief of Staff for Operations and Plans/Operations Deputy (Joint Affairs), United States Army, Washington, DC,¹ June 1985 to June 1986, Lieutenant General.

Chairman NUNN. General, do you have any opening statement? Do you want to give us any thoughts you may have on your mind now about the future of the Army and your responsibilities? We would be delighted to have that.

STATEMENT OF GEN. CARL E. VUONO, NOMINEE TO BE CHIEF OF STAFF, U.S. ARMY

General VUONO. Mr. Chairman, I appreciate the opportunity to meet with you and other members of the committee. I certainly thank both you and Senator Warner for your kind words.

I am deeply honored to have been nominated for the position of leading our Army. I look forward to making some lasting contributions to our Army and to our Nation. I am mindful of and grateful for the stewardship of General John Wickham, who it was my pleasure to serve with over the past 4 years in his role as Chief of Staff.

I look forward to working with your committee, and I understand fully my responsibilities to assist the committee and the Congress in their critical and central role in providing for this Nation's defense.

¹ Joint Equivalent.

And I assure you, Mr. Chairman, that I will be honest, candid, and forthcoming in all of my dealings with you and members of your committee. I am looking forward to the opportunity to work closely with all of you, and the other services, in fulfilling our mutual and sacred trust, which is the defense of this free Nation.

TRAINING AND DOCTRINE COMMAND

Chairman NUNN. Thank you very much, general.

General, you are down in Training and Doctrine Command [TRADOC] and you are looking at the Army of the future, and that is one of the most important posts in the U.S. Army. You have had a lot of experience in Europe and other fields.

Where do you see us in the Army now in terms of where we are going? Do you think we are going to have evolutionary changes over the next 3 or 4 years? Do you believe we will have to make any kind of very substantial changes in the direction we are moving in?

General VUONO. Sir, I have not only given that some thought recently, but it has been at the forefront of my efforts over the past several years. I guess I will start by giving a short assessment of where we are, because I think we must build on that.

I think we start with the quality soldiers we have—and thanks to your committee and Congress, we have the best soldiers we have had in a number of years. I will not recount all the statistics on that. I think they are well-known.

I think we have a sound how-to-fight doctrine for the Army, built on preparing the Army to carry out its role in joint operations. I think we have training programs in place that are solid.

I think our modernization effort, both organizationally and systemwise, has been a sound avenue for us. Finally, I think the real strength that we have in our Army has been the development of our leaders over the past several years, both noncommissioned officers and officers.

So that is a backdrop. Now where do I think we will need to go in the future? The Army, in order to sustain the momentum, must project itself out into the future, must have vision of where it wants to go.

I think there are several things we must do. First of all, we must continue to get quality soldiers in our force, because if we do not do that, we will run into difficulties in other areas.

I think we must ensure that our doctrine remains evolutionary. Our doctrine must be compatible with our responsibilities as an Army to support the various Commanders-in-Chief (CINCs), around the world. It has to be a doctrine that is sound for both NATO and for other parts of the world where we may be called upon to fight as part of a joint and a combined force. And I want to continue that effort in the doctrine area.

I want to improve and take advantage of technology to ensure that our training programs are sound and compatible with our how-to-fight doctrine, again globally.

In the area of modernization, which is one that will take a great deal of our efforts to improve, I want to make sure that we are modernizing the force in a prudent manner, both organizationally

-and systemwise, so that the Army's forces are compatible with our strategic imperatives and our how-to-fight doctrine.

I look for some very tough tradeoffs in the years ahead in the modernization arena. I believe we are going to have to make some very tough decisions in terms of the systems that we want, and ensure that we are putting our resources and our efforts on those systems that give us the greatest payoff on the battlefield.

Finally, I want to ensure that we strengthen even further the development of our leaders, so that the leaders we develop are well-grounded in the Army, and understand our service so that they can do their proper job in joint operations.

I would say, in a nutshell, that is how I visualize moving in the next several years.

Chairman NUNN. General Wickham testified earlier this year that we have completed about one-third of our Army modernization program. And, of course, we all know about the budget situation and the budget squeeze.

Do you see us in a position of now having to begin to choose between the efficiency of production of some systems and continuing to use old systems? Are we going to have to actually cut out some Army systems in terms of the budget situation?

Or have you had a chance to analyze the 5-year plan in that kind of detail?

General VUONO. I have not had the chance to get input in the kind of detail that I will get over the next several months, Mr. Chairman, but I will say that we are going to have to look at the balance between the systems that we are bringing on right now, and future systems of the Army. I think we must start with how we intend to fight.

And we must ensure that those systems that are compatible with how we intend to fight are where we put our efforts. There are going to be some very tough tradeoffs, in my view.

It must be not what systems we would like to have, but which of those systems must we put our efforts behind, from a resource standpoint, to give us the greatest payoff.

And I believe that I owe that to you and the members of this committee to lay out for you, from a warfighting standpoint, those requirements that we must meet, and those systems that we need to meet the requirements.

Chairman NUNN. Thank you. My time has expired.

Senator Warner.

Senator WARNER. Thank you, Mr. Chairman. General, as you plan for the next 4 years, how do you propose to address the problem of the declining pool of eligible persons from which come the recruits for the Armed Forces of the United States?

General VUONO. That is certainly an area paramount in my thinking, because as I say, it starts with quality people. As the manpower pool shrinks, we have got to ensure that ongoing programs are continued. With your help and support we think we can do that.

As we talk to those folks who are involved in recruiting, the kinds of programs we have now, the passage of the GI bill, those kinds of things are very great incentives to continue to attract the bright young men and women that we want to have in our Army.

We have another responsibility internally in our Army. We have got to have an Army that is vibrant, that has a dedicated mission, that is professional in all aspects to ensure that we not only retain the young men and women coming in, but the message goes out loud and clear that we want to serve in this great Army of ours.

And I see that as a twofold challenge. One, to keep the programs going so that we can retain—so that we can recruit. And then to show that the Army is an organization that men and women want to serve in.

Senator WARNER. General, you have been following the events in the Persian Gulf. And on the assumption that you will be confirmed, which I anticipate will be forthcoming, you will assume the position of Chief of Staff of the Army sometime around the 23d or 24th of June. At that time the proposed policy of reflagging will be in its implementation stage, if the present schedule as announced by the administration is adhered to.

In the Reorganization Act, Congress carefully provided specifically for a member of the Joint Chiefs to express to Congress the policies of the administration.

If asked by the President, what views would you express regarding this Nation's participation in maintaining the objectives of reflagging—namely the freedom of passage and navigation—in trying to promote peace and more stability in the area if this Nation has to go it alone in terms of any confrontation in International waters, or the necessity to initiate hot pursuit in another Nation's, an aggressive Nation's territorial waters? What advice would you give the President?

General VUONO. Well, Senator Warner, that is an area that I obviously have been following. I am not up to speed on all the details of that whole operation. I know that the Joint Chiefs have testified both in open and closed sessions here. I am not familiar with the results, particularly in the closed sessions.

Senator WARNER. I am interested in your personal view. I am certain that as a highly intelligent man, that you have read the articles and the public statements on this: This particular Senator has a growing concern that a policy of going it alone for this Nation is not a wise one.

What is your view? Do you think we should have active allied participation in terms of military responsibilities of maintaining freedom of the seas?

General VUONO. My personal view is that it would certainly be advantageous to have as much support in that region as we could possibly get from our allied countries.

But in terms of our own national interests, if it comes down to the national interest, then I would support an approach which says we would have to provide whatever is necessary to carry out our national interests in that area, even if we have to do it alone.

Senator WARNER. In other words, you would support a go-it-alone policy in terms of discharging our goals in international waters?

General VUONO. Probably.

Chairman NUNN. Senator Shelby.

Senator SHELBY. Thank you, Mr. Chairman.

General, as members of this committee we are concerned about the negotiations going on in Geneva. A couple of weeks ago I was

in Geneva talking to the Ambassador and the others that are carrying on the negotiations regarding the removal of the medium range missiles deployed in Europe.

Assuming that is done, how do you feel about the weakness of the NATO allies versus the Soviet command regarding conventional weaponry that looks to be much superior?

General VUONO. I think if there is an agreement that is equitable, verifiable—

Senator SHELBY. Of course. That is on the agreement. Should there be any linkage between the reduction or removal of those missiles and the reduction of conventional, the imbalance of the conventional weapons.

General VUONO. I think that we would have to very carefully look at that and ensure that the conventional forces are strong enough to compensate for that. We would need to make that commitment that we will provide strong conventional forces.

Senator SHELBY. If we do not do this, we gain nothing.

General VUONO. Well, it would certainly be a difficult situation without a strong conventional force.

Senator SHELBY. Are you familiar with Dr. Brzezinski's proposal regarding the conventional forces, to make Central Europe a tank-free area?

General VUONO. Yes, sir. I read the document.

Senator SHELBY. What do you think about that?

General VUONO. I think that we have a primary commitment to NATO. I think that our conventional forces there at the present time are such that I would not support a removal of any forces there.

Senator SHELBY. Even if the Soviets move their tanks, most of their tanks back to the Soviet Union?

General VUONO. I think we would have to consider the option, consider it very carefully and be very aware.

Senator SHELBY. General, I have looked over your record. I know you. I do not believe you are going to have much trouble getting confirmed, and I look forward to working with you after you are Chief of Staff.

General VUONO. Thank you.

Senator SHELBY. Thank you, Mr. Chairman.

Chairman NUNN. Thank you very much, Senator Shelby.

Senator Thurmond.

Senator THURMOND. Thank you, Mr. Chairman.

General, we want to welcome you here, and I want to congratulate you upon being appointed Chief of Staff of the U.S. Army.

In the past year we have learned that despite large increases in defense spending a very large percentage of our combat and combat service corps units, in both the Active and Reserve components, are really not combat ready.

How do you intend to address this problem as the new Chief?

General VUONO. Well, Senator, that is an area of major emphasis by the Army over the past several years. We have made some significant progress. It is an area that I worked on extensively when I was the Army Deputy Chief of Staff for Operations and Plans. It is an area that I will continue to work on if I am confirmed by the Congress.

I think there are a number of areas that we need to strengthen. I think first of all we need to ensure that we have the proper numbers and the proper mix of personnel for combat service support units.

We have got to provide them with the right equipment, and there are some tough choices that have to be made there. Then we have to ensure that they are trained properly at every echelon.

Finally we have to ensure that we can deploy and support those forces when and if they are needed globally. There also has to be a very strong link between combat support and combat service support units and the combat units in terms of their training and their deployment.

Senator THURMOND. General Vuono, the Congress has thus far supported the Army's light division initiative. Support for this concept from the Unified Combatant Commanders, however, has not been an enthusiastic endorsement of the concept. Do you intend to continue development of light divisions. Do you intend to look into the matter and then make a decision?

General VUONO. Sir, I have been a part of building the balanced forces that we have in our Army today. And I think that is the right approach.

A mix of heavy forces, light forces, and special operations forces that can be provided to the regional CINCs in the proper balance is necessary for them to carry out their warfighting responsibilities.

I think the light forces have a tremendous role to play, both in a precrisis situation and in actual conflict. If we ensure the deployment of the light forces in the right place at the right time, they can provide us with a tremendous capability and flexibility that I believe is necessary.

Senator THURMOND. Are these light forces going to be stationed, where you think they ought to be? Or do you intend to give that more consideration?

General VUONO. No, sir. I believe that we have got them just about where they ought to be, because we would use them in a variety of situations. And I think that they are positioned in places where we can move them rapidly by lift and that is the basis for the concept of the light divisions.

Senator THURMOND. Have you had occasion to study this new special operations command?

General VUONO. I have had occasion not only to study it, but I worked with the CINC, Gen. Jim Lindsay, the new CINC, almost on a daily basis as he put together his command. Much of what he is doing in putting together that command I am involved in in my present assignment, in terms of doctrine and training, organizations, and so forth.

While I was Deputy Chief for Operations and Plans, we looked at several alternative courses of action to provide the Unified Special Operations Command. I did not have detailed involvement in the final copy.

But I am very satisfied that the Army can carry out its responsibilities to the Unified Special Operations Command. And if confirmed, and as a member of the Joint Chiefs, I would be very satisfied that we can operate those forces in conjunction with our other forces.

Senator THURMOND. Do you feel this is going to be an improvement?

General VUONO. I think it certainly will improve our capability, where we have one command dedicated to special operations.

I believe, though, that we want to make sure, and I would add that General Lindsay clearly understands this and I believe will move in that direction, to ensure that the special operations forces are operating in conjunction with our other forces in terms of unity of effort.

Senator THURMOND. My time is up. Thank you, Mr. Chairman.

Chairman NUNN. Thank you, Senator Thurmond.

Our next Senator in order is Senator Dixon.

Senator DIXON. Thank you, Mr. Chairman.

General, I am chairman of the Readiness, Sustainability and Support Subcommittee, and I would like to follow up a little bit on the first question that my distinguished colleague Senator Thurmond asked you about the readiness of the ground combat support and combat service support units.

The Central Command (CENCOM) witness testified in my subcommittee that some of their Active and Reserve combat support units, and combat service support units were really not combat ready because of shortages of trained personnel.

General Rogers, as you know, testified before the full committee, and I quote, "The Army's combat service support structure, even when augmented by available and planned host nation support, is incapable of supporting the forces currently in Europe, much less of reinforcing the units."

They feel, though, the Army is heavily dependent on the Reserve for combat support and combat service support, but we are told that 55 percent of the Army Reserve units in fiscal year 1986, one out of every two units, were rated not combat ready.

First of all, do you plan to try to correct what I consider to be a pretty serious situation?

General VUONO. Absolutely. And I would add that has been an ongoing effort of the Army for several years, to improve our readiness for combat support and combat service support units.

Senator DIXON. Could you just tell me very briefly, not in exquisite detail, what your main thought is about how you would address this problem?

General VUONO. First of all we need to ensure that we attract and train the right mix of people.

And that is a tough issue to work, and we have got to make sure that we have got programs in place that can provide the necessary training for the Reserve component.

I think we have some programs that have come to fruition to make that happen, to make sure they are equipped properly. Then we need to work as hard as we can to see how we can ensure that the deployability of those forces is such that we can get them to the fight at the right time.

Senator DIXON. I would say that problem is one of the two that many of us thought were matters of grave concern this year. The second I would like to mention is that those pillars of readiness, sustainability and support are probably a little bit new to some of us.

The ammunition, the spare parts purchases were going up all through the years that I have been in the U.S. Senate, since 1981, are now starting to go down again in the outyears, so in 1991, we will be in the same position as we were in 1981.

In your view, are you aware of those deficiencies?

General VUONO. Very much so.

Senator DIXON. Some of us think, I do not necessarily say that all of us think this, but a substantial number of us I think on this committee who pay attention to these things, think that we are spending an awful lot of money on the very fancy esoteric sophisticated military equipment while depriving ourselves of the very important support systems.

Would you be interested in watching that kind of thing in your very important position?

General VUONO. I have more than a passing interest in that, sir. Because I think that whatever we do, we must consider our warfighting capabilities and strike that balance between near term and longer term efforts.

And it is an area that is going to take continual effort on my part and the Army's part, particularly as you look at the resource levels that we are facing.

I would assure you that I do not have any magic solution to that, sir, but that it is an area that I will pay a great deal of attention to, because it is so linked to our warfighting capability.

Senator DIXON. I suppose the only magic solution is an unlimited supply of money, but none of us has that.

General VUONO. That would be nice.

Senator DIXON. I thank the Chair.

Chairman NUNN. Senator Symms.

Senator SYMMS. Thank you very much, Mr. Chairman, and congratulations, General. I join with my colleagues that wish you well in your new endeavors.

I do have a couple questions I wanted to ask you similar to what Senator Dixon mentioned about the readiness question.

Although I know that sophisticated strategic and tactical weapons are important, it always seems that it finally boils down to the infantry man, the soldier, the marine, the sailor on duty that ultimately has to make the decision to put their life on the line and win the war.

I believe we have made great improvements in our field packs and other infantry equipment. But I feel the Army has been behind on equipping the infantryman with new rifles.

For instance, the troops that have the M16A2 are shooting much superior scores. It is a much improved rifle. What kind of a priority are you going to put on getting that new rifle into the hands of our infantry?

General VUONO. I think, sir, that it goes beyond just the rifle. I think the whole small arms strategy is very critical.

We are working, as a matter of fact, my present command is working very diligently on developing a package of requirements for small arms. I think that it makes sense. And it is one that I will support.

Senator SYMMS. But, are we in the process of getting the M16A2s purchased and equipped? How many years will it be before we actually have all the infantry troops equipped with those rifles.

General VUONO. I am not sure. I will have to provide that.
[The information follows:]

M16A2 PROCUREMENT

Procurement of the M16A2 began in 1985. We will contract to modify M16A1's to M16A2's this year with deliveries planned in early fiscal year 1988. Active and Reserve Component Round Out Infantry units, plus the 29th ID, will have the M16A2 by the end of fiscal year 1990. The Army intends to continue to procure M16A2's and modify M16A1's, fielding the remaining Active and Reserve component by the mid-1990's.

Senator SYMMS. I know that some have been purchased, and that there is a program.

The Sergeant York, of course, was canceled, what, a year ago, I believe.

General VUONO. August 1985.

Senator SYMMS. What do we have in the planning stages or in the field now to fulfill an antiaircraft capability for our frontline troops?

General VUONO. What we did was we looked at our capability and our requirements for air defense, and we developed a concept that said that we are not just going to have one system for air defense at the division level. That is Sergeant York.

But we are going to have a family of systems. Because if you look at the threat, and look at the technologies available, you need not only a line-of-sight system, but you need a system that can handle enemy aircraft nonline-of-sight, and you need a capability for protection of your rear forces.

So we have come up with a family of air defense systems, not just for the air defense units but also to ensure we can use some of our existing combined arms systems. So we rolled that into a package called the Forward Area Air Defense system, and we are in the process now of programming that over the next several years.

It has got a great deal of attention over the past year and I believe it is a very solid, viable program. And that should be coming on line soon.

Senator SYMMS. What does the field commander have now, though, if the curtain comes down tomorrow?

General VUONO. He has his hand-held system, the Stinger and the Redeye, and at the division level, he has the Vulcan, which provides a gun-missile mix.

And then of course he always has his other range of weapons systems, not always associated with air defense, but which would give you the capability if the soldiers are trained for air defense.

Senator SYMMS. Thank you very much, Mr. Chairman, Thank you, General.

Chairman NUNN. Senator Levin.

Senator LEVIN. Thank you, Mr. Chairman. General, welcome. I want to add my congratulations to those of all the others.

General, some people say relative to the conventional balance in Europe that we are a basket case, that our forces could not really hold their own for more than a couple days.

Other people say that no rational Soviet war planner would advise his bosses that they could just roll through Western Europe. What is your assessment of the conventional balance?

General VUONO. I think the fact that we have had troops over there for a great number of years causes the Soviet planner to look very carefully at our capability in that area.

We certainly would like to have a conventional capability even better than we have now. We would like our allies to have a greater capability.

We certainly would like to ensure that we continue to modernize our forces in that area, both organizationally, and we are doing that, and equipmentwise, to provide the capability for battle close-in at the front line, and the capability to go after targets deep.

Senator LEVIN. You mentioned modernization. This is what the committee report said a few weeks ago, in reporting out the fiscal year 1988 authorization bill.

The Senate Armed Services Committee continues to believe that "the greatest deficiencies, vis a vis the Soviet military, in both number and capabilities are found in our ground forces. Nowhere is the need for modernization greater than in our ground forces."

The report also said that the committee directs the Department of Defense to ensure the production of the five primary combat systems, including the UH60 and AH64 helicopters, the Multiple Launch Rocket System, the M-1 tank, and the Fighting Vehicle System. The production of these systems are continued in the fiscal year 1989 and beyond.

Many believe that the Department should program sufficient resources to achieve by the end of the fiscal year 1989 Five Year Defense Plan 85 percent of the AH64 requirement, 75 percent of the UH60 requirement, 80 percent of the M-1 tank requirement, 75 percent of the Bradley Fighting Vehicle requirement and 55 percent of the MLRS requirement.

"The committee notes that the Army cannot attain these levels with the funds provided in the fiscal year 1988 Five Year Defense Plan, and expects the Department of Defense to recognize these requirements in determining resource allocations in the future."

My question is whether or not we can get a commitment from you. Are you going to fight for Army modernization, because that is where you feel there has been a significant shortfall?

General VUONO. Sir, I can tell you that I would fight to ensure that the Army has got the systems needed to carry out its war-fighting responsibilities. And I will make that a major effort in the next several years.

Senator LEVIN. Let me change the subject to tank barriers. It has been a sensitive subject over the years in Europe.

Assess for us the value of explosive tank barriers. The West Germans are particularly sensitive about this.

Can you assess the value of explosive tank barriers in the conventional defense of NATO?

General VUONO. Well, I think any kind of a capability that will allow us to not only slow down an enemy via a barrier, but also to break up his formations at the forward line of our own troops (FLOT) would certainly enhance our capability to break up his plan. A barrier of that type, and I do not want to get into all the

details on it, would be of great assistance, whether it be explosive pipe or whatever.

The concept of a barrier that will allow us to break up his formation, and to cause him to deviate from his plan, would be of great assistance.

Senator LEVIN. What is the single greatest deficiency that our Army faces?

General VUONO. I think probably the imbalance, I would say, the concern over the enemy's artillery capability. He has a massive amount of artillery that he can bring to bear.

Chairman NUNN. Senator McCain.

Senator MCCAIN. Thank you, Mr. Chairman, and congratulations, General. I join the other members of the committee in expressing our congratulations to you on this very important assignment, and I look forward to working with you in the years ahead.

I would like to get your thoughts on a couple of areas that I have been concerned about and that this committee has been concerned about.

The first one is in the area of the mandated officer reductions, which as you know is part of legislation passed which required a 1-, 2-, 3-percent reduction in the officer corps of the three services.

I am not sure in my own mind whether those cuts were justified. Uniformly, all four services have complained bitterly about this mandated reduction. In hearings I had responded and so has Senator Glenn and Senator Wilson by asking for a proposal as to how you intend to meet the mandated reductions.

Or, a proposal to somehow stretch it out or to justify maintaining current levels of officer strength. So far, none of that has happened. So far, none of the services have come over with a proposal as to how they can either get some relief from this legislation.

Nor have they come over with a proposal as to how they can implement. So far I have received indications that the most alarming, in my opinion the most dangerous actions contemplated, and that is reductions in accessions. Which is as we know, killing the seed corn.

I would like to hear your views as to how you expect to comply, or how you expect to respond to this legislation, and how serious you view this entire issue.

General VUONO. Well, Senator, I view it with great concern, the potential of the additional cuts beyond the one that we have had to take this year.

The great percentage of the officer increase in the Army is in the company grade ranks. That is where we have increased our combat capability, additional aviation battalions, additional infantry battalions, both in the active and in the Reserve component.

And I think that any reduction in the officer corps would come out of that reservoir of company grade officers, and you have in effect cut our combat capability.

Now, having said all that, I come foursquare behind being able to lay out the case that says, we have taken some cuts already, and we should preserve what we have.

You asked another question about our seed corn. I think that we need to look carefully, should we not be successful in convincing

you that we should not have any more reductions, at how to strike a balance that does not mortgage our future.

But I would go back to my first strong plea that it has a potential for reducing our capability.

Senator McCAIN. General, I accept your thesis that it can indeed reduce the capabilities of the U.S. Army. But let me give you another side of the picture.

So far there has been no response, that I know of, to this committee which generated this legislation. Nothing says, look, here is what we have cut in the way of headquarters manning, here is what we have cut in the way of 1,000 commissioned finance officers in the Army. We have not looked at possibly making those civilian billets.

Has there been a single headquarters throughout the U.S. Army that a number of officer billets have been cut? I am directing this at you because I will make the same about the Navy, the Air Force, the Marine Corps.

As situations change and requirements change and we set up additional commands, have we reduced in a commensurate fashion other headquarters and officer manning? And I think that if that has been done, it has not been made clear to the members of this committee.

And that is where I think we have a credibility problem here, because I think you have got to convince members of this committee and the Congress that a good faith effort is being made to reduce these, particularly in the area of headquarters and commands, I think you would agree with me, and I guarantee you that people with different grades agree with me.

There is a great deal of redundancy amongst commands throughout the Armed Forces today. And I am afraid that if we do not get a plan from you, then you are going to see some mandated micro-management on the part of Congress, which I am not sure can be in the best interests of the armed services.

General VUONO. Senator, we will certainly lay it down for you, if we have not done so, and I think we can show you where we have taken some cuts in our various headquarters over the past couple years.

[The information follows:]

REDUCTION IN MANAGEMENT MANNING

Between fiscal year 1985 and fiscal year 1988 the Army will have reduced the number of officers (commissioned and warrant) in Army Management Headquarters Activities [AMHA] by 219, a reduction of 3.5 percent of this reduction, 108 positions were civilian substituted.

Also included in this timeframe the Chief of Staff of the Army directed a 3 percent reduction to his staff. This Army initiated reduction resulted in a savings of 96 spaces (of which 23 were officer spaces), and which were reallocated to other Army priorities.

The fiscal year 1987 officer/warrant officer reduction of 1.47 percent, directed by the Congress for the total Army, had minimal affect on AMHA which was reduced under separate legislation.

Under the press of additional 2- and 3-percent reduction in fiscal year 1988 and fiscal year 1989, respectively, officer reductions will be made through all activities of the Army, to include combat and noncombat areas. We do not plan for any exception for consideration of elimination or conversion.

I know in my own headquarters I have taken some cuts and have some cuts that are planned to be taken. I think that is a very fair request, and we will try to lay out for you what we have already done and are planning to do in terms of reductions in percentage-wise in the officers in our various headquarters, and the civilianization of some of those positions.

Senator McCAIN. And along with that, I would suggest that you make a case as to what the impact will be if you are required to have the additional 2- and 3-percent reductions.

General VUONO. Certainly.

[The information follows:]

OFFICER REDUCTIONS

I believe the Army has already made its case as to what the impact will be if required to accept an additional 2 and 3 percent officer reduction. I am distressed to learn that this information has not been provided to you earlier. The Army submitted a detailed report to OSD in March and provided a copy of that report to the GAO team working for your committee. This report analyzed the reasons for our officer growth 1980 to 1986 and accounted for the increase of each officer. TRADOC participated in developing that report which demonstrated that the majority of Army officer growth was attributable to organizational design changes caused by Army efforts to modernize our units into the Army of Excellence design. The growth occurred almost exclusively in our combat Army junior grade officers. In addition, we add officers to the force to fix specific readiness shortfalls that existed prior to 1980 but required additional resources before the Army could address them. Medical readiness is a prime example.

Highly trained and experienced leaders are an inherent part of maximizing combat power in the application of AirLand Battle doctrine on the battlefield. Reductions carried to the six percent level would seriously degrade the capability to sustain the levels of skill and expertise needed to fight and win. These reductions would send the wrong message to our allies and adversaries.

On June 16, 1987, General Wickham, in response to a request by Senator Nunn, sent a letter and an attached information paper to Senator Nunn which outlined how the Army managed to increase combat power while remaining within a constant Active Army end strength. General Wickham adds that continuing officer reductions would strike directly at the systematic improvement in capability that has been the Army's goal for the Eighties.

I wholeheartedly endorse General Wickham's assessment of the impact continuing reductions would have on the Army and join him in asking you and the rest of the Senate Armed Services Committee to reconsider the consequences of further officer reductions and urge you to rescind the additional 5-percent reduction before Army readiness is degraded.

Senator McCAIN. Maybe I have been out of the loop here, but so far all I have had is, we cannot do it. And I do not think that that is a sufficient response, because laws have been passed that have to be adhered to.

I would wait until another round, Mr. Chairman. I have more questions, but my time is up.

Chairman NUNN. Senator Humphrey.

Senator HUMPHREY. I will pass.

Chairman NUNN. Senator Shelby.

Senator SHELBY. General, you have worked a lot in Europe and NATO, and Senator Levin was talking about the NATO forces and so forth.

A lot of your background is in artillery. You mentioned a few minutes ago that there is a disproportionate advantage, at least on paper and maybe as a reality, in comparing our artillery to the Soviet Union.

How do you propose to change this? Or do you?

General VUONO. I think that is an area that is already getting a great deal of attention, and an area that will take a great deal of my involvement.

I do not think you do it only by numbers, not necessarily piece for piece. But we should use the opportunity to use other aspects of the combined arms capability to assist in overcoming that imbalance, and to take advantage of technology in terms of the systems that we have and of the munitions that we have coming on line.

Senator SHELBY. Has the history of the Soviet armies, the modern armies, been heavy with conventional artillery?

General VUONO. Yes.

Senator SHELBY. Is it very much weighted that way?

General VUONO. Yes.

Senator SHELBY. As far as personnel and training, which has been very much in the forefront, how would the NATO allies' armies, the quality of them, stack up to ours? The Germans first. And the arms, too, are the arms uniform?

General VUONO. I think that my experience has been that they would equip themselves very well. Many of them are small, but they are very professional in what they do. They certainly can use an increased capability in terms of some of their equipment and in terms of modernization of equipment. It is my opinion that they will acquit themselves very well.

Senator SHELBY. NATO basically is predicated on the United States and the West Germans, and without that the others cringe?

General VUONO. Well, I do not know that I would go so far as to say that.

Senator SHELBY. The heart of it, though, is the United States and the West Germans. What about the numbers?

General VUONO. Well, when you get into a discussion of the numbers, you have some problems. I would talk in terms of capabilities rather than numbers.

Senator SHELBY. The capabilities are basically from the United States and the West Germans?

General VUONO. Yes, but I would not underestimate the capabilities of the other Allied—the other NATO nations.

Senator SHELBY. Like who?

General VUONO. Well, Britain is healthy.

Senator SHELBY. But they are small.

General VUONO. Well, as I say, when you start talking about numbers it gets very difficult. I am talking about capability, as well as quality.

Senator SHELBY. That is all I have.

Chairman NUNN. Are there further questions?

Senator McCain.

Senator MCCAIN. Thank you, Mr. Chairman.

General, I would like to talk to you a little bit about helicopters, if I could. As you know, the Army, or the Department of Defense, came over with a proposal to cease production of the Apache helicopter which would have then put the Army in the dubious position of not having a production-line in being for attack helicopters, or that is my understanding.

I also understand that there have been some problems or questions about the LHX as to when it can come into production, and exactly where we are in that program.

Could you give me your feelings as to how you feel about the Apache helicopter, and how rapidly we should move into the LHX? And do you view the LHX as a replacement for the Apache, or for the heavy attack helicopter?

General VUONO. Well, I think first of all I would say that the challenge we face is in what I would call the balance in terms of near-term capability and planning for the future.

The Apache is a superb helicopter. It can do the things that we want it to do. I have flown the Apache—I have not flown it on my own, but I have flown in the front seat of the Apache at Fort Hood at night, and it does all the things that we want it to do. We have equipped, or already fielded several battalions, which are doing very well.

The LHX, on the other hand, which will take the place of other helicopters, the Cobra and the light helicopter, is taking advantage of technology of the future. We would like to bring the LHX on as quickly as we can, but we are looking at high technology. We think it has capability for the future needs of our Army.

I think we have said in the Army that we would continue the purchase of the Apache as one of our top priorities, given a level of resources that would allow us to do so. So I look at it in the near term. We have the Apache now. We have some other systems out there that we need to field for our forces. At the same time, we need to project out to the future to ensure that we have that capability not only in 1987, but in 1997 and beyond.

Senator McCAIN. When does the Army anticipate the LHX to enter into the operational force?

General VUONO. Sir, I am not sure of the exact year. There has been some fluctuation on the initial operational capability whether it is 1994 or 1995, or whatever, I am not sure. I will provide that for the record.

[The information follows:]

LHX (LIGHT HELICOPTER FAMILY)

The Army's current Acquisition Strategy will provide an Initial Operational Capability in 1996.

Senator McCAIN. Do you view it as not in the best interests of the Army not to have a production line in being of helicopters if the Apache line were shut down?

General VUONO. Well, I think we would like to continue that but given the resources we have, I do not know whether that can happen.

Senator McCAIN. Finally, General, I understand that you have had a lot of joint service, and as a member of the Joint Chiefs you will be required to give advice to the President as to how he should deploy U.S. forces, whether they be Army or any of the other services. I understand from earlier testimony you have said that the United States you believe is correct in taking the entire burden upon ourselves to protect the Kuwaiti tankers.

Is that accurate? I apologize for being late. Have you got any ideas as to how we could urge or coerce our European allies into being involved in this effort?

General VUONO. No, I do not have any—

Senator McCAIN. You do not have any relevations for us.

General VUONO [continuing]. Solution to that. I would hope that would happen.

Senator McCAIN. And you feel that it is appropriate for the United States, if we are unable to convince our allies to become more involved, to shoulder this burden by ourselves?

General VUONO. I think we have to protect our interests in that area.

Senator McCAIN. Which you view as to prevent Soviet penetration into the area?

General VUONO. I would think that the objectives we have set in terms of trying to ensure whatever we do over there protects not only our interests but ensures it does not damage us.

Senator McCAIN. Do you view this move as a tilt toward the Iraqi side?

General VUONO. I have no view on that.

Senator McCAIN. I have no further questions, Mr. Chairman.

Chairman NUNN. Senator Symms.

Senator SYMMS. Mr. Chairman, I just wanted to pursue a bit more on the infantry weapons.

General VUONO. Yes.

Senator SYMMS. You said that—I cannot remember the term.

General VUONO. Small arms strategy.

Senator SYMMS. Is the small arms strategy going to include the automatic fire grenade launcher and the .50 caliber machine gun, or the 7.62? Or are we talking about the U.S. Army infantry going strictly to the 5.56?

General VUONO. I am not sure yet, sir, how we will come out on that in terms of mix, but I will be glad to provide that.

[The information follows:]

U.S. ARMY SMALL ARMS STRATEGY

The Small Arms Strategy being developed at TRADOC plans for a two-phased approach. The first phase is from the present through 1994 and includes the fielding of modernized weapons being procured and developed, along with product improvements. This phase does include the MK-19 Grenade Machine Gun, the .50 caliber heavy machine gun, rifles, and light machine guns using standard NATO 5.56mm ammunition. The second phase encompasses 1995-2000, a period during which the Army can develop an advanced family of small arms taking advantage of advancing technology.

Senator SYMMS. I personally have a genuine concern of whether we are going to have enough firepower in the infantry units to withstand what the Warsaw Pact has. That is the purpose of my question: whether or not ~~we~~ have enough heavy machine guns. Now we are talking about going to the 5.56. Is that enough firepower?

It concerns me that we have a tremendous weapons expense. We have spent a lot of money on a lot of equipment, but we still have our soldiers out there with old rifles that in my opinion are inferior. As Chief of Staff, I hope you will really push this issue and get these new weapons to the soldier in the trench.

General VUONO. Well, I agree that we cannot lose sight in the Army of the importance of providing the individual soldier with what he needs.

Senator SYMMS. Thank you, Mr. Chairman.

Chairman NUNN. Senator Levin.

Senator LEVIN. Mr. Chairman, just two questions.

First, on conventional arms control. Are you familiar with the various conventional arms control proposals that have been offered during the years? Are you familiar with the details of those?

General VUONO. Not all of the details, Senator.

Senator LEVIN. Will you keep an open mind about an innovative conventional arms control proposal and how that might contribute to our security?

General VUONO. Yes, sir.

Senator LEVIN. Second on the depot maintenance backlog. In 1980 we had an 11 percent shortfall in depot maintenance. In the budget that was proposed to us, that went up to 20 percent shortfall for 1988. It would have gotten even worse in 1989.

Now the committee was able to do something about that. We improved it so there would be a 15-percent shortfall in 1988 instead of a 20-percent shortfall, but we are still worse off in terms of depot maintenance in 1988 than we were in 1980. In fact, we are significantly worse off.

I am wondering if you could tell us whether that concerns you, and if you could tell us what the practical military implications are of a growing backlog in depot maintenance.

General VUONO. Well, to answer your first question, it certainly concerns me.

The practical implications are that in the long run it affects your sustainability and readiness when that goes up. As you said, we had reduced it somewhat. Because of our resource problems, as we balanced where we needed to put the resources, we found that we could not bring it down as low as we would like. We would obviously like to bring it down to zero.

Senator LEVIN. Is sustainability one of our leading problems in Central Europe?

General VUONO. I think it is of concern over there, yes, sir. Again, we are going back to resources, trying to balance our efforts, and we hope that we have been prudent in where we have tried to apply our resources.

Senator LEVIN. How would you describe your concern? You say you are concerned about it. Would you say it is a significant concern to you that you have a growing backlog in depot maintenance?

General VUONO. It is of concern to me, yes, sir.

Senator LEVIN. You would not describe it as a significant concern?

General VUONO. Yes, I think it is a significant concern.

Senator LEVIN. Thank you.

Chairman NUNN. Thank you, Senator Levin.

Are there other questions? Senator Wilson.

Senator WILSON. Thank you very much, Mr. Chairman. I am sorry that I was required to be down at the Commerce Committee, gentlemen. We are debating an amendment proposed by Senator

Exon which will be of interest to this committee. It would give discretionary powers to the Secretary of Commerce to oppose foreign acquisition of U.S. companies engaged in production of materiel that is central to our national security.

Let me just ask you this question, since you have been here a long time and I do not want to hold up things, but I think you are probably aware that this committee has commissioned a task force which for about the past 18 months has been engaged in looking at defense inventory handling. That occurred almost accidentally as a result of the celebrated loss of materiel from a Navy carrier. But when the inquiry as to the management of the entire supply system was expanded to include all of the services, some very disturbing things have been uncovered.

We are about to release the final report and to propose some legislation. The most disturbing thing to me—really has been that in terms of sustainability and readiness what we have found is a loss of control and a loss of actual materiel that obviously benefits no one—not the services, not the taxpayers, and it really I think has stemmed from a combination of inadequate accounting practices, and at least inadequate supervision, and things as basic as physical security of ammunition and of weapons.

So what I am asking may seem to you to be a rhetorical question, but because so much of it does depend upon supervision, and because that as I recall is the final EEE step, it is obvious that at almost all levels this problem really has not had adequate attention.

Now the Army has been the focus of a great deal of concern, but it is by no means exclusive of the Army. All services have had this problem. But I would simply ask and express the hope that among the many other responsibilities and challenges that you face as Chief of Staff, that you will be particularly cognizant of this problem and give it the kind of attention and the kind of priority that I think it really requires.

The GAO admittedly is unwilling to try to quantify this problem, but they have erred on the safe side, indicating that it is a major problem resulting in huge losses that we really can ill afford at a time when we are debating among ourselves the allocation of our scarce resources.

General VUONO. I share your concern on that, Senator, and I will build upon the safeguards that we have and are putting into place.

Senator WILSON. This is really a matter of some curiosity, and if it has been pursued already by others, if so, Mr. Chairman, you can simply so state and I will consult the record.

General, last year this committee was working on the Defense Reorganization bill. During the course of hearings on that vast subject, we received testimony to the effect of changes to the Joint Chiefs of Staff structure, and particularly the creation of an enhanced role for the Chairman and the Vice Chairman, with the help of the Service Chiefs, and in the words of some, scarcely worth having.

Do you agree with that assessment? And do you see the role that you will assume as having been diminished?

General VUONO. Obviously I do not think that they would be scarcely worth having. I believe that the service Chiefs are as im-

portant now as they have ever been in our past history because the service Chief has responsibility for his own service to provide, in my case, an Army to the various CINCs around the world that is capable of carrying out its mission in joint and combined operations.

I see my role as a member of the Joint Chiefs of advising and assisting the Chairman and the Secretary of Defense, in terms of carrying out their responsibilities, and advising them on the capabilities of the Army and ensuring that the Army is a force that is capable of doing what is necessary to carry out our strategic imperatives.

I am not, at this juncture, in a position to say that I think that the role has been diminished in any way.

Senator WILSON. Could you briefly—and I know it may be a question that necessarily could engage you in writing a treatise—but could you state briefly what you deem to be the priority need first of the Army, and second for our overall national security?

General VUONO. Well, I think the responsibility and the priority of the Army is to be an Army that knows how to fight, is properly trained, is modernized, and is properly led by the noncommissioned officers and officers who can carry out the Army's responsibilities in providing forces to deter war. If deterrence fails, to fight and support the CINCs in joint and combined operations around the world. I think that is the role of the Army, to provide for the joint forces.

Senator WILSON. Thank you, Mr. Chairman.

Thank you, General.

Chairman NUNN. Are there any further questions by any member?

[No response.]

General, Senator Warner and I would like to converse with you in our office back here with our Intelligence Committee hats on for a few minutes. We have responsibilities on that committee that sometimes overlap into this committee. At this stage we do not know of anything that overlaps directly into the Armed Services Committee, but we want to make sure of that. If there is any kind of information that this committee needs to have, we would reserve the right to have another hearing.

Are there any other questions or observations by the committee?

[No response.]

If not, General, we appreciate you being here. It would be my hope that we can expedite this matter.

General VUONO. Thank you, sir.

[Whereupon, at 10:50 a.m., the committee was adjourned, subject to the call of the Chair.]

[The nomination of Gen. Carl E. Vuono, USA was reported to the Senate by the Committee on Armed Services on June 11, 1987, with the recommendation that the nomination be confirmed. The nomination was confirmed by the Senate on June 16, 1987.]



**NOMINATION OF LT. GEN. ALFRED GRAY, JR., USMC, TO BE
COMMANDANT OF THE MARINE CORPS**

WEDNESDAY, JUNE 24, 1987

**U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.**

The committee met in open session pursuant to notice, at 10:11 a.m., in room SR-222, Russell Senate Office Building, Sam Nunn (chairman) presiding.

Present: Senators Nunn, Bingaman, Dixon, Glenn, Warner, Thurmond, Wilson, Gramm, Symms, and McCain.

Staff present: Arnold L. Punaro, staff director; Patrick A. Tucker, minority counsel; Andrew S. Effron, counsel; Christine C. Dauth, chief clerk; George K. Johnson, Jr., Ronald P. Kelly, and Norman G. Mosher, professional staff members; Pamela G. Powell, staff assistant.

Also present: Jeffrey B. Subko, assistant to Senator Exon; William J. Lynn, assistant to Senator Kennedy; Edward McGaffigan, Jr., assistant to Senator Bingaman; Charles C. Smith, assistant to Senator Dixon; Phillip P. Upschulte and Milton D. Beach, assistants to Senator Glenn; Terrence Lynch, assistant to Senator Shelby; William J. Wight, assistant to Senator Warner; Dale F. Gerry, assistant to Senator Cohen; Mark J. Albrecht, assistant to Senator Wilson; Alan Ptak, assistant to Senator Gramm; Samuel J. Routson, assistant to Senator Symms; Patrick A. Putignano, assistant to Senator McCain.

OPENING STATEMENT OF SENATOR SAM NUNN, CHAIRMAN

Chairman NUNN. The committee will come to order.

The committee meets this morning to consider the nomination of Lt. Gen. Alfred M. Gray, Jr., of the U.S. Marine Corps to serve as Commandant of the Marine Corps.

On behalf of the committee, I extend a warm welcome to you, General Gray.

The committee is conducting this short notice hearing so as to enable the Senate to consider General Gray's nomination prior to General Kelley's retirement, which occurs, I understand, next week.

I am involved in the Iranian Committee hearings, and, in fact, will be asking questions in a few minutes. So that will preclude me from being here for very long this morning. I have asked Senator Bingaman to preside in my absence.

I thank Senator Bingaman for being willing to do that.

General Gray has a distinguished military career, which started in 1950, as an enlisted man. He attained the rank of sergeant before being commissioned as an officer of the Marines in 1952. I think that is a great achievement, to come through the enlisted ranks.

Your example, I am sure, General, is an inspiration to other people out there in the enlisted ranks today, and I think that is wonderful.

General GRAY. Thank you.

Chairman NUNN. General Gray has a significant combat, operational, and joint experience, and has also served in key staff assignments. Some critics of the Defense Reorganization Act have claimed its provisions would prevent experienced commanders with this mix of skills from rising to the very top military positions. General Gray's selection certainly demonstrates that this is not necessarily so.

General Gray, your long and impressive career has prepared you well for the position of Commandant of the Marine Corps. You will take over as the top marine at the time when the Marine Corps is experiencing some difficulty, as you well know. I will not go into that this morning, but there are a number of problems that I am sure you are going to be tackling, and I know you will address those with your usual diligence and capability.

I recall my visit in 1980 to the 29 Palms Marine Base, where General Gray introduced me to maneuver warfare and an impressive Marine combined arms operation. His innovative implementation of the use of maneuver warfare in the Second Marine Division, as well as his testimony before a hearing I chaired in the late 1970s on the now-fielded light armored vehicle, indicates that he has the capacity to think down the road.

I recall also, General Gray, your testimony on the light armored vehicle being a little ahead of the official Marine Corps position on that subject.

Since your statements will soon represent the official Marine Corps position, I hope you will continue to challenge conventional wisdom and be receptive to those below you who also challenge conventional wisdom, which you have done on several occasions through your career.

The committee looks forward to receiving your professional military judgments and your candid views throughout your tenure as Commandant.

Senator Warner is not here this morning.

Senator Thurmond, do you have any opening statement?

Senator THURMOND. Yes, Mr. Chairman.

I just want to say that General Gray has an impressive record. I think he is well qualified and I will be very pleased and honored to support him for this position.

I have a couple of questions and if he will answer them for the record, it will save time.

Thank you, Mr. Chairman.

Chairman NUNN. Thank you.

I am going to have to depart, as I mentioned.

Senator Bingaman, when you complete the hearing this morning, what we will try to do, unless something comes up that we do not

anticipate, we will try to get the members together as rapidly as possible, off the floor. We will have to have a quorum present.

We are going to try, General Gray, to move this before the change-over, so that we will have an orderly transition.

Senator GLENN. What number do we need for a quorum?

Chairman NUNN. We will have to have a majority for a quorum.

Senator GLENN. Is it nine?

Chairman NUNN. We have to have 11. We will have to have 11 people for a quorum.

But it is perfectly agreeable to me, and it is up to you, Senator Bingaman, if you have 11 people that you can muster this morning, I will be upstairs and can come down. We will be glad to do it then.

If not, we will try to move it this afternoon, assuming that nothing unanticipated comes up.

Senator BINGAMAN [presiding]. General, before we start in with any questions, and I do have a few questions, some of the other members here might have an opening statement that they would like to make.

Let me just defer to Senator Glenn, with whom you are well acquainted, to see if he has any kind of opening statement he would like to make.

Senator GLENN. I have no opening statement. But I have some questions and comments that I will make later on.

I am just glad and pleased to congratulate the General again on his selection. He is a worthy successor to all of those who have gone before him in keeping the Corps the way it is, mobile and ready.

He and I have discussed this privately, and I will have some comments on it later here. But I think the Marine Corps is going to be in good hands.

General GRAY. Thank you, Senator.

Senator BINGAMAN. Senator Symms, did you have an initial statement to make before we defer to the General?

Senator SYMMS. Mr. Chairman, I will just ask unanimous consent to put my statement in the record at this point and to say that I look forward to working with the General also.

I share the comments that the senior marine on this panel just made. I think the Marine Corps is going to be in very good hands, and I am very pleased about his selection.

Senator BINGAMAN. I also have a prepared statement by Senator Dixon which will be inserted in the record at this point.

[The prepared statements of Senators Dixon and Symms follow:]

PREPARED STATEMENT OF SENATOR ALAN J. DIXON

Mr. Chairman, we are here today to consider the nomination of Gen. Alfred M. Gray, Jr., USMC, to be Commandant of the Marine Corps.

General Gray has been nominated to succeed Gen. Paul X. Kelley, who has been an outstanding leader of the Corps. General Gray, based on his professional background I feel will be an excellent successor to General Kelley.

General Gray began his service in the Marine Corps in the enlisted ranks and has risen to the top. He has served his country for over 37 years and I believe his background will provide the Marine Corps with strong and inspirational leadership.

Thank you, Mr. Chairman.

PREPARED STATEMENT OF SENATOR STEVEN SYMMS

Mr. Chairman, Marine Corps history is a proud history and its foundation is comprised of the men and women who have been its members. The Marine Corps has the reputation as the premier fighting organization in the world—again this is because of those who have gone before and who bore the name "Marine".

The Marine Corps is fortunate to have had over the years perhaps the finest military leadership, as a whole, in all of our armed services. This has been true in both the officer and enlisted ranks.

The Nation is fortunate to be able to tap such men as Al Gray to lead tomorrow's Marine Corps. The Marine Corps faces some of its greatest challenges today. Internationally, the United States is confronted on all sides by those who threaten and would jeopardize the freedom and well being of the West. These threats will not go away or be neutralized except by a strong defense capability backed by a national will commensurate with the problems we face.

Internally, the Corps faces a wide variety of challenges in maintaining the high degree of combat capability which has become its hallmark.

We must have a Corps that reaffirms its professionalism, integrity, and discipline. I have full confidence that Al Gray is an individual that can lead the Corps in doing just that.

I look forward to his confirmation and in working with him as the 29th Commandant.

Senator BINGAMAN. Senator McCain, did you have any comments?

Senator MCCAIN. No, thank you, Mr. Chairman.

Senator BINGAMAN. The nomination reference and résumé of service record of General Gray will be entered into the record.

[Nomination reference of Lt. Gen. Alfred M. Gray, Jr., follows:]

NOMINATION REFERENCE

AS IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
June 16, 1987.

Ordered, That the following nomination be referred to the Committee on Armed Services:

The following named officer for appointment as Commandant of the Marine Corps under Title 10, United States Code, Section 5043:

To be Commandant of the Marine Corps

Lt. Gen. Alfred M. Gray, Jr., United States Marine Corps.

[The résumé of service career of Lt. Gen. Alfred M. Gray, Jr., which was transmitted to the committee at the time the nomination was referred follows:]

RÉSUMÉ OF SERVICE CAREER OF ALFRED M. GRAY, JR., LIEUTENANT GENERAL, U.S. MARINE CORPS

Date and place of birth: June 22, 1928, Point Pleasant Beach, New Jersey.

Years of active service: 37.

Military schools attended: The Basic School, Quantico, VA; Communications Officer School, Quantico, VA; Command and Staff College, Quantico, VA; Army War College, Carlisle, PA.

Major Permanent Duty Assignments:

Headquarters, U.S. Marine Corps, Manpower Department (Dep Dir, Training and Education Division; Head, Special Study Group), August 1975 to June 1976.

Landing Force Training Command, Atlantic (Commanding General)/4th MAB (Commanding General), July 1976 to September 1978.

Marine Corps Development and Education Command (Deputy for Development/Director, Development Center), October 1978 to May 1981.

2d Marine Division (Commanding General), June 1981 to August 1984.

Fleet Marine Force, Atlantic (Commanding General)/II Marine Amphibious Force (Commanding General), September 1984 to present.

Promotions: Second Lieutenant, April 1952; First Lieutenant, October 1953; Captain, July 1955; Major, February 1963; Lieutenant Colonel, October 1967; Colonel, August 1972; Brigadier General, March 1976; Major General, February 1980; Lieutenant General, August 1984.

Medals and awards:

Silver Star Medal.

Legion of Merit w/Combat "V" and gold star.

Bronze Star Medal w/Combat "V" and gold star in lieu of second, third, and fourth award.

Meritorious Service Medal.

Purple Heart Medal w/1 gold star in lieu of second award.

Combat Action Ribbon.

Presidential Unit Citation.

Joint Service Commendation Medal.

Navy Commendation Medal.

Navy Unit Commendation w/bronze star.

National Defense Service Medal w/bronze star.

Korean Service Medal w/bronze star.

Armed Forces Expeditionary Medal.

Korean Presidential Unit Citation.

Vietnam Service Medal w/silver star.

Vietnamese Cross of Gallantry w/palm and 2 bronze stars.

Republic of Vietnam Meritorious Unit Citation Gallantry Cross color.

United Nations Service Medal.

Republic of Vietnam Campaign Medal.

Summary of joint assignments as a general officer:

Brigadier General, Commanding General, 4th Marine Amphibious Brigade/Landing Force Training Command, Atlantic, 1976-1978.

Current mailing address: Commanding General, Fleet Marine Force, Atlantic/Commanding General, II Marine Amphibious Force, Norfolk, Virginia 23515-5001.

BIOGRAPHICAL SKETCH OF LT. GEN. ALFRED M. GRAY JR., USMC

Lieutenant General Alfred M. Gray Jr., is the Commanding General, FMF, Atlantic/Commanding General, II MAF and Commanding General, FMF Europe (Designate), Norfolk, Virginia.

General Gray was born June 22, 1928 and hails from Point Pleasant Beach, N.J. He enlisted in the Marine Corps in 1950 and served overseas with the Amphibious Reconnaissance Platoon, FMF, Pacific, attaining the rank of sergeant. He was commissioned a second lieutenant on April 9, 1952.

After attending The Basic School, at Quantico, and the Field Artillery School, Fort Sill, Okla., he joined the 1st Marine Division in Korea. He served a tour as an infantry officer with the 2d Battalion, 11th Marines, and a subsequent tour as an infantry officer with the 1st Battalion, Seventh Marines. In October 1953, he was promoted to first lieutenant.

Returning to the United States in December 1954, General Gray was assigned to the 8th Marines, 2d Marine Division, at Camp Lejeune, N.C., until August 1955, when he attended the Communications Officer School, Quantico. He was promoted to captain in July 1955. From April 1956 until May 1961, General Gray served overseas in special command billets.

In May 1961, he was assigned to Headquarters Marine Corps, Washington, D.C., for duty as special operations and plans officer, G-2 Division. During this tour he saw service in Guantanamo Bay, Cuba, and in Vietnam. He was promoted to major in February 1963.

General Gray joined the 12th Marines, 3d Marine Division, Vietnam in October 1965, serving concurrently as Regimental Communications Officer; Regimental S-3 Officer and Artillery Aerial Observer. In April 1967, he was assigned command of the Composite Artillery Battalion and the U.S. Free World Forces at Gio Linh. In September 1967, he was reassigned to the III Marine Amphibious Force in DaNang, where he commanded the 1st Radio Battalion elements throughout I Corps. He was promoted to lieutenant colonel in October 1967.

In February 1968, he returned to Washington, D.C., for duty with the Defense Special Projects Group as Chief, Intelligence and Operations Division.

He was reassigned to the Marine Corps Development and Education Command at Quantico, in November 1968, and tasked with the development of interim doctrine for employment of sensor technology in the Marine Corps. During the period June

through September 1969, General Gray returned to Vietnam in conjunction with surveillance and reconnaissance matters in the I Corps Area.

Upon his return to Quantico, he was assigned duty as Chief, Intelligence and Reconnaissance Division, at the Development Center, until August 1970. He attended the Command and Staff College and upon completing the course in June 1971, was transferred to the 2d Marine Division at Camp Lejeune, where he assumed command of the 1st Battalion, 2d Marines, and Battalion Landing Team (BLT) 1/2. The BLT was deployed to the Mediterranean in September 1971, as part of the 34th Marine Amphibious Unit, and returned to the U.S. in March 1972. General Gray commanded the 2d Marines from April through December 1972, when he was reassigned as Assistant Chief of Staff, G-3, 2d Marine Division. He was promoted to colonel in August 1972.

General Gray attended the Army War College, Carlisle Barracks, Pa., from August 1973 to June 1974, and upon graduation, was assigned to the 3d Marine Division on Okinawa, as Commanding Officer, Fourth Marines and Camp Commander, Camp Hansen. He later served as CO, 33d MAU/CO, RLT-4/DepCdr, 9th MAB, during the Southeast Asia evacuation operations.

Reassigned to HQMC in August 1975, he was assigned duty as Deputy Director, Training and Education Division, Manpower Department. He was advanced to brigadier general on March 24, 1976, and presided over a special group of the Marine Corps Reserve until June 11, 1976, when he was assigned duties as Commanding General, Landing Force Training Command, Atlantic, and Commanding General 4th Marine Amphibious Brigade. He served as the Deputy for Development/Director, Development Center, Marine Corps Development and Education Command, Quantico, from October 1978 to May 1981. While serving in this capacity, he was selected in January 1980 for promotion to major general. He was promoted to that grade in February 1980, with a date of rank of April 1, 1976. On June 4, 1981, General Gray was assigned duty as the Commanding General, 2d Marine Division, FMF, Atlantic, Camp Lejeune, N.C. Following his promotion to lieutenant general on August 29, 1984, he assumed his current assignment.

General Gray is married to the former Jan Goss of Burlington, Vermont.

Senator BINGAMAN. General, if you have any statement you would like to make the committee would be glad to hear from you.

STATEMENT OF LT. GEN. ALFRED M. GRAY, JR., USMC

General GRAY. Thank you, Mr. Chairman. I would only say that it is a deep honor to be considered for this position. It is very humbling as well.

I have nothing to say other than I await your questions.

Senator BINGAMAN. All right.

I will start and ask a couple of questions, if I could, General.

I think there has been discussion over the years about the question of heavy versus light with regard to the Marine Corps.

Secretary Webb said in his confirmation hearing—and this is a quote from his testimony—“there are some indications that the Marine Corps is becoming too heavy and also that its helicopter doctrine is becoming too concentrated on large, expensive platforms that would be vulnerable in heavy combat.”

Do you have any thoughts about that? How should the marines be used?

Basically, do you agree with the Secretary's comment?

General GRAY. I would say that the idea of being too heavy or too light is one that the Marine Corps has, for many years, for as long as I have been a marine, very consciously examined.

We have a built-in interest in this as well.

Basically, you have to be light enough to get where you have to go to serve the Nation, and you have to be heavy enough on the other end to win.

We do that by task organizing our combined arms power. That is another way of saying that we take what we need and we don't take what we don't need.

We use our air power, in particular on the other end, because that is our main fire power, not just early-on in the amphibious assault, but in any other kind of contingency or crisis we face.

Yes, we have gotten heavier in the last decade. Part of that, ironically enough, is because of the results of our indepth, 10-year study, on strategic and tactical mobility. One of the reasons that we introduced the Light Armored Vehicle was to give us a light cavalry screening capability to improve our mobility on the battlefield. Yet that, in its own right, increases the aggregate lift or size of the Marine Corps.

Another is the threat. Many of the Third World countries and regions have very formidable weapon systems. Some of these smaller countries are loaded, if you will, with D-20, D-30, D-40 series Russian artillery weapon systems and the like, and much armor. So you have to be able to take that into consideration as well.

With respect to the use of the helicopters, we played a great role in pioneering this back in the days of the auto gyro and certainly before Korea. The Marine Corps looked at the helicopter and vertical assault as the answer to spreading out on the battlefield in the atomic environment. These things take a long time to come to fruition.

I would say we pioneered the employment of helicopters in Korea where we used them for command and control and medical evacuation. Twenty years later, in 1967 and 1968, the Army brought the helicopter concept to full fruition on the battlefield with their air mobile concepts.

Today, we have to be able to move quicker, over larger pieces of real estate and broader areas of ocean, if you will. We have to be able to lift more by helicopter—and do it faster!

Of course, this is why the heavier helicopters are needed. The heavier the helicopter, obviously the more that you can do with it from the standpoint of lift physics and the like.

They are vulnerable, as are any other weapon systems. Or, to say that another way, anything can be "taken out" if you want to pay the price.

We have to examine and think through any vulnerabilities very carefully, and we have to compensate with operational level tactics and techniques.

So we are very concerned with this issue. In quick summary, we are totally supportive of the Secretary of the Navy and his thoughts about this.

As a professional, I don't view this as a challenge to anything we are doing. I view these as very good, solid, thought provoking kinds of questions you would expect your Marine Corps to explore at all times.

Senator BINGAMAN. Thank you.

Let me ask about Marine Corps training. What are your views on whether Marine Corps training today is satisfactory? Do you have in mind changes that you would pursue in Marine Corps training?

General GRAY. Personally, I am never satisfied with training. I think we are organized to train and equip today very, very well.

We have strong leadership. We have good, sound, balanced training, and we have good discipline. Really, those are what you need to win.

We need to continue and perhaps emphasize the warrior focus. You only really need to have three things going for you in battle. You need to be better led than anybody else. You need to be better trained than any potential adversary. And you have to have better discipline, particularly self-discipline. Discipline is simply doing what has to be done.

Our training programs are designed to do that. If they are doing that, then we will continue to march. If they are not, then we are going to make that kind of thing happen. We are going to make, or at least think about, some major changes in training.

I believe that we can do better and I think that we must do better. I think that we are going to take a top-down look and a bottom-up look. We are going to look at what we do in recruit training. We will look at how we organize and manage, if you will, the entire training process. We need to look at the role of Quantico, because it is very crucial to this whole idea. The training, the concepts, the doctrine, the education, and, indeed, the concept development has to be integrated and put together by bright, young people, who, incidentally, want to play.

We have young officers and staff noncommissioned officers today, who want to play in this idea of where the Marine Corps is going, and we are going to give them that chance.

So the answer is, yes, we will be looking at it. Yes, we will be changing it. And, yes, we are going to be making it better.

Senator BINGAMAN. Thank you.

Senator Symms.

Senator SYMMS. I will pass for right now, Mr. Chairman.

Thank you.

Senator BINGAMAN. All right.

Senator Glenn.

Senator GLENN. General, there are two things that I would say, and I would make a comment first, rather than ask a question.

There are two things that I have always viewed as the uniqueness of the Marine Corps in all the Armed Forces that we have.

One is that the Marine Corps, within its own organization, has all the elements of arms in it, and they have to be mobile, which you have already addressed.

The other is readiness.

Those are the two elements of the Marines. If we ever lose those two things, or take second place to anybody else, the reason for having a Marine Corps goes downhill, and we will wind up with some of the old Truman era proposals to do away with the Marine Corps. If we look back, we know that there are those who don't wish us well, sometimes, in the competition for dollars in the services. That is just a basic fact.

So I think those two things are absolutely key. They are fundamental to the Marine Corps readiness and combined arms together with mobility.

I think that elements of the Marine Corps have to be ready to move not within days, but within hours. I am sure you agree with that, but I just wanted to reinforce that.

I have said the same thing on this committee many times here, when we have considered Marine Corps matters, and I feel very strongly about that.

Now I have another statement, more than a question. I will not ask you to reply on this because you are not in command yet. You are about to take over.

I won't say that it has become traditional, as things maybe take a little more time to become traditional in the Marine Corps or in any of the military services. But I think it is near traditional, with this being an air-ground team, that we are very proud of, that the Assistant Commandant be an aviator. That has been near-traditional in the Marine Corps.

I would hope, just from my own standpoint and with my own, prejudiced background, perhaps, having something to do with it also, that, while we have never yet had a Marine Aviator Commandant, which I think we should have sometime in the future—I am sure somebody will be qualified to be that—nevertheless, I hope you would continue what I view as a tradition, anyway, in the Marine Corps.

I don't know if you care to make any comment. You are free to make one. But I make that just as a statement.

General GRAY. Yes, Senator, I would comment.

Obviously, we have to have a good, strong, air-ground concept and, certainly, our aviation community is not only a vital part of it, but from the people standpoint, they make up more than 33 percent of your Corps.

They need to have something to look forward to as well.

The person we pick, after consultation with my senior leadership, will be the best qualified person we believe should serve as Assistant Commandant during this timeframe. We have some superb aviation people out there, and we have some good ground people, too.

Now, if you would be willing to come back on active duty, I could guarantee that we would pick an aviator as Assistant Commandant.

General GRAY. In fact, I'd even swap with you. I think Assistant Commandant is better.

Senator GLENN. The way things are going around the Senate right now, I am with you. I volunteer. [General laughter.]

Senator WILSON. Can you guarantee him embassy duty in Moscow?

General GRAY. As long as I go with him. We might make a pretty good pair over there.

Senator GRAMM. You all could watch each other. [General laughter.]

Senator GLENN. We reorganized things at the top levels, the JCS and so on, last year. We are watching that closely.

I had some reservations which I expressed in this committee and on the floor about some of the changes, the autonomous nature of command in relationship with the Navy that the Marine Corps was giving up.

I talked to General Kelley about it and would ask that you look into that early in your new duty. I am sure you have had some observations on it already. It may be working fine, for all I know. But

it did change the command relationship there to a considerable extent.

I would welcome any comments you would want to make on it this morning, and also would look forward to maybe having you back over here and perhaps with General Kelley even, later on. We can call him back from retirement for a 1-day hearing, I think, and get his views on it. Or we can do that separately, either way.

But I was concerned that we not get ourselves into a bind where we would have a Secretary of the Navy that was so bent out of shape on the Marine Corps that maybe we really suffer over a period of time. That is not going to be the case, obviously, with the present Secretary.

But it could happen sometime in the future, and I would not want to see a single person like that, one person, even though that is a very important position, have that kind of impact on the Corps.

General GRAY. Yes, Senator. And thank you. I would like to comment on that, specifically to Title V provisions of the law.

We are concerned about it too, and I think rightfully so. If your Marine Corps ever runs the risk of being submerged by the admirals, if you will, then this is not going to be good for the country.

Now, I don't believe that is going to happen. We have, in my view, a great Secretary of the Navy today, and we have some good admirals over there. I don't think there are enough admirals to submerge us on this watch.

Senator GLENN. Let me interrupt momentarily.

I didn't mean that I see anything wrong right now. But in the previous setup, the Marine Corps was protected in that regard.

General GRAY. That's right.

Senator GLENN. Now the Marine Corps is not as protected as it was.

I see no move by any admirals, or the Navy, or the Secretary of the Navy, or anybody else, to undo the traditional way the Marine Corps has operated with the Navy, and that is fine. I did not mean to be casing aspersions on anybody.

But, the protections that were in law now have been weakened enough that I think we just have to watch it. That is all.

General GRAY. That's right, sir. That would be my point, too, Senator.

Really, the overarching key, in my view, would be as long as you select in this great Nation a person to be the Secretary of the Navy, who is qualified and who is imbued with the idea of public service that you all know all about, then it does not really become a threat or a problem. But if we have someone who does not meet those criteria—and I believe that there are those who believe we have had some in the last 40 or 50 years, if you go back and pick a few—my point would be that we are not, as an institution, protected by this law. There are some vulnerabilities.

It is too early for us really to tell, because Secretary Webb is reviewing this whole process right now, how Title V will apply. It is my view at this point, that we can make this happen very, very well.

For example, I share the belief that we must further streamline the research-development-acquisition process throughout DOD and

certainly within our Corps. Within the Corps, we have a pretty good track record. But it can be made better.

And so, I think that is good. I think we can do some other things that are indicated in the legislation very quickly.

But we are concerned about that process, and, if we see anything wrong with it, we welcome the opportunity, Senator, to get back to you.

Senator GLENN. My time is up. I have just one further statement, a brief statement.

You have seen the Corps from the enlisted ranks right on up. You have seen the whole gamut of it. You have had a lot of combat experience. We talked a couple of days ago and I expressed to you then what I said on this committee earlier when we were considering reorganization legislation last year, and that was the fact that I would have felt better about the overall reorganization had we started with the combat unit at the bottom, and said okay, we have a platoon down there, and companies, battalions and regiments, and I don't know that we need to change that organization. But once you get above that point, and you get to Division Force and so on, then how you start supporting these organizations and what is necessary in the way of regional commands and things like that—all of this should be tailored to who is being shot at out there and to supporting that person or persons out there in whatever combat role they have.

What I was afraid we were doing a little bit of last year is this. We were organizing the deck chairs up here, at the top level, and we could not really see the combat end. It streamlined things somewhat. But I thought we should be starting at the other end, working back up, and seeing what was necessary if we are going to reorganize, and what is needed over here, not starting at the top and going the other way down.

I know that is a big, general, wide open statement, and my time has already expired. I will not ask you to answer it.

But we look forward to working with you. We appreciate your free and frank comments at all times, and we expect to give you our free and frank comments from this end. We want to work together with you.

Thank you, Mr. Chairman.

Senator BINGAMAN. Senator McCain.

Senator MCCAIN. Mr. Chairman, I would like to yield a minute to my colleague, Mr. Gramm, who has, I believe, some interest in the budget resolution that is on the floor.

Senator GRAMM. I thank the Senator for yielding.

Mr. Chairman, I have had the opportunity to visit with General Gray, and just want to say that I strongly support this appointment.

Sir, you are following a great man, P.X. Kelley, into this post. I think under P.X. Kelley's leadership we have built the finest Marine Corps in the history of the country, and I think you are just the man who can continue and amplify on that progress. I just wanted to come and say that I support you and that I look forward to working with you.

I thank the distinguished Senator for yielding.

General GRAY. Thank you, sir.

Senator McCAIN. And now, I would like to yield briefly to Senator Wilson—and anyone else.

[General laughter.]

But I would just like to comment before Senator Glenn leaves that I want to associate myself with what Senator Glenn said. I believe every piece of legislation has unintended consequences. I think there are a lot of unintended consequences associated with that legislation. We are going to revisit it, and I believe that the impact that legislation has on the Marine Corps is going to be made much more clear, and this committee and the Congress I think are going to have to address it, before it does great damage.

I certainly agree with your comments, Senator Glenn.

Now I would yield to Senator Wilson.

Senator WILSON. Thank you.

I appreciate the courtesy of my friend from Arizona.

I share the concerns expressed by Senator Glenn and Senator McCain. I am required to be in the Agriculture Committee shortly, in order to make a quorum on a markup. But I think Phil Gramm has said succinctly what many of us feel, and that is that you are coming into a very good situation. It is a challenging one.

Your own distinguished record gives us great confidence.

I think that you are going to bring the experience of someone who has known the Corps in a variety of assignments and performed with great distinction in all of them.

P.X. Kelley, I think, had a particularly trying tour of duty. I think he is entitled to the gratitude and affection of the members of this committee and those who hold the mission of the Marine Corps dear and important.

So, I will look forward to having an opportunity for not only an extended conversation with you, but many opportunities to work with you, General Gray. I think that your record is extraordinary. I think that your selection as Commandant is going to do very good things for the Corps. I just look forward to having the opportunity to work with you closely.

General GRAY. Thank you, Senator.

Senator WILSON. Thank you, Mr. Chairman.

I thank the Senator for yielding.

Senator BINGAMAN. Now, Senator McCain, you have a little time remaining.

Senator McCAIN. Yes, Mr. Chairman, thank you.

In my 1 minute, General, I also would like to compliment you on the outstanding record that you bring to this position.

Many of us feel that combat experience is something which lends a special quality and a special kind of judgment to be brought to bear on issues, and I think you are eminently qualified for the job.

I would like to discuss two issues very briefly with you. One is the issue of the Harrier aircraft.

I am sure you have been informed that the House has zeroed the Harrier authorization for the next fiscal year.

How deep is your concern about that?

General GRAY. Well, I am still a Force commander, privileged to command 55,000 sailors and marines throughout the Atlantic Command—and, by the way, this morning they are on six continents

doing what has to be done—I am deeply concerned about the action in the House Armed Services Committee.

The AV-8A, the Harrier jump jet, was a great concept which we brought on and tested. It was just what we needed. The AV-8B is a magnificent airplane. It can do everything we hoped it would do and even more.

I would offer a simple challenge to anybody: pick any 12 to 16 close-air support aircraft to operate from fixed airfields, and give me four Harriers aboard a ship or in the field. We will out-sortie them any day of the week.

We need the AV-8B aircraft. The whole idea of our close air support, an integrated effort, is built on its capability.

So I would respectfully hope that the plan to procure the AV-8B's, as we have requested, be restored.

Senator McCAIN. Thank you.

Finally, General, if there is a conflict in the gulf, I don't think there is any doubt that the Marine Corps would play a significant role. I and other members of this committee are concerned about the increased risk involved with the reflagging of the Kuwaiti tankers.

From your view of the tactical situation, do you view this reflagging decision as one which increases risk of U.S. military involvement?

General GRAY. It's a difficult one for me to comment on with respect to the position that you are considering me for here, because I have not been a player in the military deliberations or aspects of this, or for that matter, of any of the geopolitical considerations that have gone on.

Whenever we talk about sending our young people into harm's way, we are always concerned about this threat.

From a pure military standpoint, just from my limited vantage point, I do not see much of a conventional military threat to any efforts out there. It is the unconventional or the terrorist threat that would pose me the greatest concern if I were to be a commander in that region.

So we are concerned.

I would add, in the larger, more macrosense, that I think we need somehow, in some way, to take an in-depth look at what we are really trying to do in terms of shaping events—in my case, militarily. That is what you expect from me.

But I think we could do better at examining and looking at what it takes to shape the situation. In other words, what do you want it to look like out there in that "battlefield" next week, next month, next year?

If we could get this kind of idea, then we would know what to do.

We need to have a clear mandate as to what is expected and what you want us to do. Then, when we get that, we will do what has to be done.

Senator McCAIN. You know, Mr. Chairman, it is literally astonishing to me that it appears that the Joint Chiefs have not been asked or consulted on this issue to the degree that I believe the military advisors to the President of the United States are mandated to do so.

I think we are going to hear more on this issue, and I look forward to your continued advice and recommendations, along with those of the rest of the Joint Chiefs, which I think have been sadly lacking in this rather precipitous decision, this policy decision, that has been made.

Thank you for your indulgence, Mr. Chairman.

Senator BINGAMAN. Thank you.

Senator WARNER. Mr. Chairman, if I may, let me ask Senator McCain if there is a meeting of the minds.

You desire to know whether or not this particular witness had been consulted. Of course, he is not a member of the JCS at this time.

Senator MCCAIN. Yes, sir.

It is my understanding that the Joint Chiefs were asked if they could militarily handle the job of protecting those tankers.

Senator WARNER. That is right. You are correct in that, and they did make a response.

Senator MCCAIN. But it is my understanding that they were not asked as to their advice as to whether the policy should be implemented.

Senator WARNER. That may well be the case.

But the witness, of course, was not a member of the JCS.

Senator MCCAIN. I am aware of that.

Senator WARNER. I know that you are, but I just wanted to be sure that the record reflected that. His lack of knowledge of that procedure in the JCS it seems to me is quite understandable.

Senator MCCAIN. Indeed, his role.

But it is not understandable to me that the Joint Chiefs were not asked about whether they recommended the policy itself; only whether it could be implemented.

Thank you, Mr. Chairman.

Senator BINGAMAN. Senator Symms, did you have some questions at this point?

Senator SYMMS. I would yield to Senator Warner.

Senator BINGAMAN. Senator Warner.

Senator WARNER. Thank you.

I would just like to make an observation, and I would ask that you not reply to the observation because you are in the chain of command on the issue of the embassy details.

I am not directing my observation to any specific individual, but would urge you, on confirmation and assumption of command, that when these cases finish, and you are out of the reviewing chain, that you take a look at that situation, personally take a look at it, to determine for yourself as to the adequacy of the training cycle, screening, and all other aspects of that program.

It has been one of the hallmarks of greatness of the Corps for, I think, nearly 40 years. How far back does that go?

General GRAY. For 47 years, I believe, in the present embassy arrangement, and then back to just after 1800, in terms of Marine Corps association with the Foreign Service.

Senator WARNER. Yes.

I am just anxious that the Corps continue, and that you, as Commandant, at some point in time put your stamp of approval on it, when this case is completed.

My next observation is with respect to the demographics in this country and the shrinking pool of manpower and womanpower in the foreseeable future.

The Corps has a famous slogan—"we need a few good men and women to continue to compete." But I hope that early-on, you begin to focus on what I foresee as a very competitive situation, absent any radical downturn in our economy, amongst the various military branches for the quality people that you are now receiving.

Again, I just offer that by way of my observations.

General GRAY. Thank you, sir. We will, sir.

Senator WARNER. I only caught a part of Senator Glenn's observation about the Marine Corps and the reorganization act. Based on my experience, a good, strong Commandant, acting within the law, will protect the interests of the Corps.

I have had the privilege of seeing you under very unusual circumstances. I know that you can handle yourself, and I do not anticipate that you will have one bit of difficulty, certainly with this Secretary, and I would hope with any future secretaries with whom you will serve.

General GRAY. Thank you, Senator.

Senator WARNER. I wish you well, you and your family.

I presume that your family is very proud of you today.

General GRAY. Yes, sir.

Senator WARNER. Well, your family will become very much a part of your sphere of responsibilities. Your wife, whom I have had the pleasure of meeting, is a wonderful lady. She will discharge her role with traditional excellence. It is a role which she has admirably filled throughout the years.

I think this is a superb choice by the President, and I anticipate this committee will act, hopefully today, Mr. Chairman.

Have you announced that?

Senator BINGAMAN. The Chairman indicates that he is going to try to do that. When we are over on the floor for a vote, he is going to try to convene a quorum of the committee.

General GRAY. Thank you, sir.

Senator WARNER. Good luck to you, General, and my personal congratulations for coming to the attention of the President and the Secretary of Defense and the Secretary of the Navy.

I sat next to him last night, and we had a lengthy discussion about you. He said that you start off on very high ground with him as well.

General GRAY. Thank you very much, Senator.

Senator BINGAMAN. Senator Symms.

Senator SYMMS. Mr. Chairman and General Gray, I share the comments made this morning by a lot of my colleagues. I believe this is a good choice for the Marine Corps.

I think General Gray inherits a Marine Corps that is very well equipped and very proud.

General, you certainly have the record, the reputation, and the capability to give a reinstilling of pride in the Marine Corps to the marines. I think that is really the good part about having someone who comes from the enlisted ranks go all the way to Commandant.

It is a good example for young marines out there in the fleet, in the divisions, in the air wings. I just think it is an excellent opportunity for all of us to go back through and see how we are doing. If there are places where we can improve things, then let's improve them. And, where we are doing well, let's keep doing well.

I think the Marine Corps is probably as good today as it has ever been, and it will probably be better in the future, as it should be.

I look forward to moving this confirmation and to get this man in office.

So, Semper Fi.

Senator BINGAMAN. General, we appreciate your coming this morning.

As Senator Nunn said, we will try to act very quickly on your confirmation and report it to the full Senate.

We look forward to working with you.

Thank you very much.

[Questions for the hearing record, with answers supplied, follow:]

QUESTIONS SUBMITTED BY SENATOR STROM THURMOND

MARINE CORPS GOALS

Senator THURMOND. General Gray, what are your priority goals for the Marine Corps as its Commandant?

General GRAY. Senator, the primary goal of the Marine Corps is to provide this Nation with a power projection force capable of operating across the spectrum of conflict.

The Marine Corps seeks to meet the strategic needs of the Nation in the above context. In doing so, the Marine Corps is going to formally link service planning with the national military strategy in order to produce tailored forces for a unified effort.

The emphasis on these strategic needs has caused us to reexamine and refine our Marine Air-Ground Task Force doctrine. We seek that doctrine which complements joint doctrine and contributes to joint and combined operations.

To ensure that this Nation always has the ability to project ground combat power overseas, we are continually seeking the application of modern technology in the conduct of amphibious operations.

Power projection requires strategic mobility and forcible entry. It is amphibious shipping which provides these two capabilities. The Marine Corps continues to support the maintenance and improvement of amphibious lift.

Inherent in every successful operation is the ability to act before the enemy can respond. One major way is through maneuver. We are, therefore, seeking to improve our tactical mobility necessary to facilitate maneuver.

The successful execution of our operations depend upon extensive practice or training. Our goal is to ensure that we conduct well-integrated combined-arms training with all required forces to include those of other services.

In projecting our forces into a combat environment, we expect all marines to function under a continuous threat. Our goal, therefore, is to provide essential combat skills to all marines as a part of their standard training.

We will have to be able to do the entire surveillance reconnaissance and target acquisition function. This includes the entire signal intelligence/electronic warfare area and all that it involves better and quicker than the enemy we may meet.

The true essence of the Marine Corps has historically been found in our values. We therefore seek to reinforce these values which have won us the precious respect and confidence of the American people.

Excellence in almost every aspect of our operations depends upon highly disciplined and educated marines. We therefore seek a quality force, led by those who have successfully demonstrated their leadership abilities.

The goal of DOD and the intent of the DOD Reorganization Act is to ensure synergy in joint operations. Our personnel goal in this respect is to provide the most qualified officers for joint service.

The Marine Corps has been successful because it has possessed the foresight and vision necessary to anticipate the future needs of the Nation with respect to our

mission. For this purpose we seek to expand the role of the Marine Corps Development and Education Command at Quantico, Virginia. It will become even more active in the development and integration of concepts, doctrine, and systems requirements necessary for the conduct of tomorrow's operations.

It is apparent that success on the ground will depend on our use of space. Our goal is to continue the application of existing space capabilities in Marine operations and actively search for innovative new applications of future space technologies in warfighting.

We will continue to seek ways to improve the quality-of-life efforts for our marines and sailors. They continue to be our most precious resource in this complex and violent age. As always, we will take care of our own!

We must improve our understanding of the art, as well as the science, of war. Maneuver, and the thought processes that go with the practice and execution of "winning through combinations of maneuver and firepower," must be improved. In this context, our strategic and tactical mobility must be "second to none" if we are to exploit our unique versatility across a wide spectrum of contingencies and crisis situations.

In summary, Senator Thurmond and distinguished members of this committee, our fundamental goal is to have a total force—active and reserve—that is fully prepared tonight to help our great Nation meet her national security objectives. We believe that the Nation, through the Congress, demands that her Corps of Marines be special—a Corps that must strive to be the premier military organization on the globe. A Corps that is the best led, the best trained and the best disciplined—particularly, self-disciplined force—on earth. A Corps that will make major contributions to maintaining deterrence and peace through its flexibility and aggregate usefulness. At the same time, A Corps of Marines that will always maintain the warrior focus—fully prepared to fight, to help us win, and one dedicated to "doing what must be done" to preserve our liberty. If we can do all of this today, then we will maintain this capability. If not, then that is precisely where we are going!

MARINE SECURITY GUARD INVESTIGATION

Senator THURMOND. The United States was shocked to learn of the recent events in Moscow involving Marine Security Guards. General Kelley has stated that the investigation should *not* focus solely on the Marines, but should be widened. Do you agree with General Kelley's recommendation, and if so, are you satisfied with the present scope of the investigation?

General GRAY. I wholeheartedly agree with General Kelley's position. There must be a broad-based, thorough inquiry to determine what occurred, to identify *all* who were at fault, and to provide a basis for accountability. I see encouraging signs that this process has begun. I will have to await the results of the many ongoing inquiries by bodies such as the Moscow Assessment Review Panel (which will soon complete its work), various congressional committees and subcommittees, and the NIS before I can state whether I am satisfied.

We will do whatever is required to ensure that we execute our mission in support of the Department of State in accordance with the expectations of our Country.

Senator BINGAMAN. The committee is now adjourned.

[Whereupon, at 10:46 a.m., the committee adjourned, to reconvene on the call of the Chair.]

[The nomination of Lt. Gen. Alfred M. Gray, USMC was reported to the Senate by Senator John Glenn on June 24, 1987, with the recommendation that the nomination be confirmed. The nomination was confirmed by the Senate on June 25, 1987.]



NOMINATION OF H. LAWRENCE GARRETT III TO BE UNDER SECRETARY OF THE NAVY

TUESDAY, AUGUST 4, 1987

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The committee met, pursuant to notice, at 10:10 a.m., in room SR-222, Russell Senate Office Building, Senator Sam Nunn (chairman) presiding.

Present: Senators Nunn, Exon, Levin, Kennedy, Bingaman, Dixon, Glenn, Wirth, Shelby, Warner, Thurmond, Quayle, Wilson, Symms and McCain.

Staff present: Arnold L. Punaro, staff director; Carl M. Smith, staff director for the minority; Jeffrey H. Smith, general counsel; Patrick A. Tucker, minority counsel; Andrew S. Effron, counsel; Christine C. Dauth, chief clerk; Robert E. Bayer, Robert G. Bell, George K. Johnson, Jr., David S. Lyles, Norman G. Mosher, professional staff members; Pamela G. Powell, staff assistant.

Also present: Jeffrey B. Subko, assistant to Senator Exon; Gregory J. Weaver, assistant to Senator Levin; William J. Lynn, assistant to Senator Kennedy; Edward M. McGaffigan, Jr., assistant to Senator Bingaman; Charles C. Smith, assistant to Senator Dixon; Donald A. Mitchell, assistant to Senator Glenn; James R. Sayer, assistant to Senator Wirth; Terrence Lynch, assistant to Senator Shelby; William J. Wight, assistant to Senator Warner; Dale F. Gerry, assistant to Senator Cohen; Mark J. Albrecht, assistant to Senator Wilson; Alan Ptak, assistant to Senator Gramm; Samuel J. Routson, assistant to Senator Symms; and Patrick A. Putignano, assistant to Senator McCain.

Chairman NUNN. The committee will come to order.

The committee meets today to consider the nomination of Hon. Harry Lawrence Garrett III to serve as Under Secretary of the Navy.

The Secretary of the Navy, Jim Webb, has spoken to me, and I am sure to others on the committee, several times about his pressing need for Mr. Garrett's confirmation. I am hopeful that we will be able to complete this hearing today unless something comes up unanticipated, and perhaps get this through the Senate before we go out on recess.

Mr. Garrett, I would like to extend a warm welcome to you on behalf of the committee. I know that all of us have worked with you on numerous matters in your position as general counsel of the Department of Defense.

And I would also like to welcome your wife, Marilyn. Is Marilyn sitting behind you there? We are delighted to have you with us this morning.

Mr. Garrett comes to this position with a unique background. He has been an enlisted man in the submarines, a commissioned naval officer, an officer in the Judge Advocate General's corps.

Of course, the Navy, as Senator Warner and Senator McCain well know, has many competing interests in many communities. Now, we have a qualified judge, a sailor, an airman and a lawyer, all in one package.

So perhaps that is the prescription we need.

Larry Garrett is about to join a long list of distinguished Americans who have held the position of Under Secretary of the Navy. And I believe we have one of them here at this table, Senator Warner.

Senator Warner, do you have any opening comments?

Senator WARNER. Mr. Chairman, Mr. Garrett is about to undertake, subject to confirmation by the Senate, which I anticipate to be forthcoming, what I think is the best job in the Department of Defense.

He brings to that position a very distinguished background of accomplishments, and we wish him well. You will have my support following the conclusion of this hearing.

Mr. Chairman, at this time I also would like to, once again, mention to the distinguished chairman of this committee the need to consider other nominations of the Department of Defense.

This is a subject that you and I have informally conversed about here over the past 2 or 3 weeks. I do believe that under our advice and consent constitutional power there is the responsibility of the Senate to move as expeditiously as we can in these areas.

And I would once again urge the chairman to address the pending nominations in the hopes that others might be considered from the Department of Defense in the near future.

Chairman NUNN. Perhaps we could get a status report on those nominations from our chief counsel.

Mr. PUNARO. Yes, sir, I would be happy to.

On the civilian statutory nominations, we currently have pending before the committee seven nominations. The committee is considering one of them this morning—Mr. Garrett.

Of those seven nominations, only two of the nominees have submitted all the paperwork the committee requires prior to their consideration, Mr. Garrett of course is one; the other one is Mr. Bergquist.

The other nominees have not yet completed their paperwork.

Chairman NUNN. Who are the other nominees?

Mr. PUNARO. Mr. Gaffney to be Assistant Secretary of Defense for ISP; June Gibbs Brown to be Inspector General; Samuel K. Lessey, Director of Selective Service; John Welch, Assistant Secretary of the Air Force; and Kathleen Buck, General Counsel, DOD.

Chairman NUNN. Senator Warner, as soon as we get that paperwork in and get that DOD bill up—

[Laughter.]

Chairman NUNN [continuing]. We will get this right on through here.

Senator WARNER. Mr. Chairman, I wonder if Mr. Tucker might have the opportunity to make a brief reply, and then if we could charge the distinguished chief counsel for the committee, together with Mr. Tucker, to as expeditiously as possible bring to the Chair and the ranking member's attention any deficiencies in this paperwork.

Chairman NUNN. I am sure the Department of Defense would like to complete the paperwork, because they are anxious to get the nominations through.

I would anticipate we could go ahead and set a date for a hearing on the Bergquist nomination sometime shortly after we get back.

And as you well know, there have been people on both sides of the aisle who have insisted on a hearing on that nomination. And they have not completed some of the investigations.

And so we will be having a hearing on that sometime in September.

Mr. Tucker, did you want to give us anything?

Mr. TUCKER. Yes. I was not aware there was any paperwork missing.

Senator WARNER. On all the pending, Mr. Tucker—in other words, this is new news to you?

Mr. TUCKER. Well, it may be an oversight on my part. I would just like to inquire of Mr. Punaro if he knows what paperwork is missing?

Mr. PUNARO. Yes, the paperwork that is missing on the ones that I mentioned is the letter from the general counsel stating that the individual does not have a conflict of interest.

That letter from the general counsel has been submitted for Mr. Garrett by Mr. Niederlehner, and it also has been submitted on Mr. Bergquist.

The paperwork for Mr. Gaffney, Ms. Brown and Mr. Lessey have been completed with exception of the general counsel's letter. On Mr. Welch, whose nomination we just received early in July, we have the Government ethics form and letter, and the general counsel's letter. And on Kathleen Buck, to be general counsel, we do not have any of her paperwork yet.

So on three, all that is remaining is the letter from the general counsel. Our form is very clear about the paperwork nominees are required to submit. And two of the nominees have met all of those requirements, and the other five have not.

Mr. TUCKER. So that could be done today if the general counsel were to submit that letter?

Mr. PUNARO. I do not know if it could be. It would depend on the DOD's general counsel's ruling as to whether the nominees have a conflict or not.

Senator WARNER. Mr. Chairman, I think the issue has been framed. Some facts have been brought to my attention which I did not know.

I do thank the committee for indulging—particularly the Chair to wait until I got back.

Chairman NUNN. We have been pushing DOD as hard as we could on this. And we just have not been able to get the paperwork.

Senator McCain.

Senator McCAIN. Mr. Chairman, could I comment? I believe one of the nominees for promotion is General Abrahamson whose nomination has been before this committee for quite some time.

And no matter how we feel about the program which he has been given the overall responsibility for, I think that all of us share the respect for General Abrahamson, and I would hope that this committee would consider giving his nomination a hearing as soon as possible, because we would not want to convey to the American people that there was anything wrong with General Abrahamson, no matter how we feel about the SDI program which he is responsible for.

Chairman NUNN. Well, I certainly agree with that. I think he ought to be judged on his own merits. And we can certainly have some hearings sometime in the fall on him. And I anticipate doing that.

It is interesting to note that the flexibility that the Air Force has required in order to have the number of stars available is dependent on the Department of Defense authorization bill which grants that authority. As of September 30, if that bill has not passed and become law, they will lose the authority to have the number of stars. So it is crucial we get that bill passed.

I am sure the Senator from Arizona recognizes that. And I am sure that we will have cooperation in September to move those bills out.

As soon as we can get that done, of course, all of us will have time to handle these confirmations on a very timely basis when we get the DOD information.

Senator McCAIN. Thank you very much, Mr. Chairman.

Chairman NUNN. Senator Exon.

Senator EXON. Which is a way of saying, I might add, that there are no hostages being taken. But it would be well if we would proceed, I think with the Defense authorization bill as soon as possible.

Chairman NUNN. The Air Force flexibility on General Abrahamson depends on that bill. And I am sure those who are concerned about General Abrahamson will want to take due note of that.

[The nomination reference of H. Lawrence Garrett III, follows:]

NOMINATION REFERENCE

AS IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
May 19, 1987.

Ordered, that the following nomination be referred to the Committee on Armed Services:

H. Lawrence Garrett III, of Virginia, to be Under Secretary of the Navy, vice James F. Goodrich, resigned.

[The biographical sketch of H. Lawrence Garrett III, which was transmitted to the committee at the time the nomination was referred follows:]

BIOGRAPHICAL SKETCH OF HENRY LAWRENCE GARRETT III

On 19 May 1987, President Reagan nominated H. Lawrence Garrett III, to be the Under Secretary of the Navy. Mr. Garrett was confirmed by the Senate on 5 August

1987 and took the oath of office on 6 August 1987, becoming the twenty-fourth Under Secretary of the Navy.

Mr. Garrett was born 24 June 1939 in Washington, D.C., and was raised in Miami, Florida. He enlisted in the United States Navy in October 1961 and subsequently became qualified in submarines as a machinist mate. Mr. Garrett was commissioned in April 1964 upon completion of flight training, serving as a Naval Flight Officer aboard maritime patrol aircraft. He served operational tours in VP-50 with deployments to Viet-Nam.

In 1972 he transferred to the Judge Advocate General's Corps, where he rose to the rank of Commander. He served from 1974 to 1978 as Force Judge Advocate/Legal Advisor to the Commander, Submarine Force, U.S. Pacific Fleet, Pearl Harbor, Hawaii. In January 1979, while serving in the Office of Civil Law in the Washington, D.C., Office of the JAG, he was detailed to assist in developing the Federal regulations pertaining to the Ethics in Government Act of 1978. In February 1981, he was detailed to the White House as Assistant Counsel in the Office of Counsel to the President. He retired from the Navy in 1981.

Subsequently, Mr. Garrett was Executive Assistant to the President and Chief Operating Officer of the U.S. Synthetic Fuels Corporation. He subsequently served as Regional Director of the Seattle Regional Office of the U.S. Merit Systems Protection Board. In 1983 he returned to the White House as Associate Counsel to the President of the United States.

Prior to his appointment as Under Secretary of the Navy, Mr. Garrett served as General Counsel of the Department of Defense from February 1986 to August 1987.

Mr. Garrett attended the University of Miami, Coral Gables, Florida, where he studied Industrial Engineering. He received a B.S. degree in Business Management from the University of West Florida in Pensacola, and received his J.D. degree from the University of San Diego School of Law, San Diego, California, graduating cum laude.

A member of the California and District of Columbia Bars, he is licensed to practice before the United States Supreme Court, the Supreme Court of California, the District of Columbia Court of Appeals, U.S. Court of Military Appeals, and the U.S. District Court for the Southern District of California.

Mr. Garrett now lives with his wife, Marilyn, and two children in Oakton, Virginia.

[The Committee on Armed Services requires all individuals nominated from civilian life by the President to positions requiring the advice and consent of the Senate, and certain senior military officers as determined by the committee, to complete a form that details the biographical, financial and other information of the nominee. The form executed by Henry Lawrence Garrett III in connection with his nomination follows:]

UNITED STATES SENATE
COMMITTEE ON ARMED SERVICES

Room SR-222

Washington, D.C. 20510-6050

(202) 224-3871

COMMITTEE ON ARMED SERVICES FORM

BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Complete all requested information. If more space is needed, use an additional sheet and cite the part of the form and the question number (i.e. A-9, B-4) to which the continuation of your answer applies.

PART A—BIOGRAPHICAL INFORMATION

INSTRUCTIONS TO THE NOMINEE: Biographical information furnished in this part of the form will be made available in committee offices for public inspection prior to

the hearing and will also be published in any hearing record as well as made available to the public.

1. Name: (Include any former names used.)

Henry Lawrence Garrett III.

2. Position to which nominated:

Under Secretary of the Navy.

3. Date of nomination:

May 19, 1987.

4. Address: (List current place of residence and office addresses.)

[Nominee responded and the information is contained in the committee's executive files.]

Office: 3E980, The Pentagon, Washington, D.C. 20301-1600.

5. Date and place of birth:

24 June 1939, Washington, D.C.

6. Marital Status: (Include maiden name of wife or husband's name.)

Married; Marilyn Kay (Bender) Garrett.

7. Names and ages of children:

Juliana Kay Garrett; 20 yrs; Henry Lawrence Garrett IV; 16 yrs.

8. Education: List secondary and higher education institutions, dates attended, degree received and date degree granted.

Name of school	Address	From	To	Degrees	Date degree granted
Miami Edison Senior High.....	Miami, FL.....	1954	1957	N/A.....	
University of Miami (FL).....	Coral Gables, FL.....	1957	1961	None.....	Attended part-time.
University of West Florida.....	Pensacola, FL.....	1968	1969	B.S.....	August 1969.
University of San Diego Law School.....	San Diego, CA.....	1969	1972	J.D.....	May 1972.

9. Employment record: List all jobs held since college or in the last 10 years, whichever is less, including the title or description of job, name of employer, location of work, and dates of employment.

See attached sheet.

From	To	Name of employer (firm or agency and supervisor)	Address	Type of work
February 1986.....	Present.....	U.S. Department of Defense, Caspar W. Weinberger.	Washington, DC.....	General counsel.
July 1983.....	February 1986.....	Counsel to the President of the United States, Fred F. Fielding.	do.....	Associate counsel to the President of the United States.
July 1982.....	July 1983.....	Merit Systems Protection Board, Jacqueline Bradley.	Seattle, WA.....	Regional director.
October 1981.....	June 1982.....	U.S. Synthetic Fuels Corp., Victor Schroeder/Edward Noble.	Washington, DC.....	Executive assistant to President.
February 1981.....	October 1981.....	Counsel to the President of the United States, Fred F. Fielding.	do.....	Assistant counsel, Office of Counsel to the President.
January 1979.....	February 1981.....	Office of Government Ethics, J. Jackson Walter, Barnardt K. Wruble.	do.....	Attorney/advisor.
August 1978.....	January 1979.....	U.S. Navy, Capt. William R. Palmer.	Arlington, VA.....	Attorney/advisor (JAGC USN).
June 1974.....	July 1978.....	Commander Submarine Forces, U.S. Pacific Fleet.	Pearl Harbor, HI.....	Force judge advocate.

10. Government experience: List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above.

None.

11. Business relationships: List all positions currently held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution.

None.

12. Memberships: List all memberships and offices currently held in professional, fraternal, scholarly, civic, business, charitable and other organizations.

Member: American Bar Association.

Member: Phi Alpha Delta Law Fraternity.

Member: Army-Navy Club.

Member: Army-Navy Country Club.

Member: The District of Columbia Bar.

Member: United States Naval Institute.

Member: The California Bar.

13. Political affiliations and activities:

(a) List all offices with a political party which you have held or any public office for which you have been a candidate.

None.

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 5 years.

None.

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$100 or more for the past 5 years.

Bobbi Kilberg Campaign—1986—\$100.00.

14. Honors and Awards: List all scholarships, fellowships, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements.

Military Medals: Meritorious Service Medal; Air Medal; Navy Unit Commendation Medal; National Defense Service Medal, Armed Forces Expeditionary Medal; Vietnam Service Medal; Vietnam Campaign Medal.

15. Published writings: List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.

None.

16. Speeches: Provide the committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated.

(Copies attached.)

17. Selection:

(a) Do you know why you were chosen for this nomination by the President?

At the recommendation of the Secretary of Defense and the Secretary of the Navy.

(b) What do you believe in your background or employment experience affirmatively qualifies you for this particular appointment?

I believe that my unique background and varied experience gained through twenty-years of active Naval service, both as an enlisted man, and as a Naval officer, as well as my Government experience as Associate Counsel to the President and as General Counsel, Department of Defense, provide me a thorough background in and excellent experience to meet the responsibilities of this position.

18. Commitment to Testify Before Senate Committees: Do you agree, if confirmed, to respond to requests to appear and testify before any duly constituted committee of the Senate?

Yes.

COMMITTEE ON ARMED SERVICES FORM

FINANCIAL AND OTHER INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Information furnished in Parts B through F will be retained in the committee's executive files and will not be made available to the public unless specifically directed by the committee.

Name: H. Lawrence Garrett III.

PART B—FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all business connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Has anybody made a commitment to employ your services in any capacity after you leave government service?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Is your spouse employed and, if so, where?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART C—POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients or customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.)

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Do you agree to provide to the committee any written opinions provided by the General Counsel of the agency to which you are nominated and by the Attorney General's office concerning potential conflict of interest or any legal impediments to your serving in this position?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART D—LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Have you ever been investigated, arrested, charged or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county or municipal law, regulation or ordinance, other than a minor traffic offense? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Have you or any business of which you are or were an officer ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you ever been convicted (including a plea of guilty or nolo contendere) of any criminal violation other than a minor traffic offense?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Please advise the committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART E—FOREIGN AFFILIATIONS

1. Have you or your spouse ever represented in any capacity (e.g., employee, attorney, business, or political adviser or consultant), with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. If you or you spouse has ever been formally associated with a law, accounting, public relations firm or other service organization, have any of your or your spouse's associates represented, in any capacity, with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. During the past ten years have you or your spouse received any compensation from, or been involved in any financial or business transactions with, a foreign government or an entity controlled by a foreign government? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you or your spouse ever registered under the foreign Agents Registration Act? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART F—FINANCIAL DATA

All information requested under this heading must be provided for yourself, your spouse, and your dependents.

1. Describe the terms of any beneficial trust or blind trust of which you, your spouse, or your dependents may be a beneficiary. In the case of a blind trust, provide the name of the trustee(s) and a copy of the trust agreement.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Provide a description of any fiduciary responsibility or power of attorney which you hold for or on behalf of any other person.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, executory contracts and other future benefits which you expect to derive from current or previous business relationships, professional services and firm memberships, employers, clients and customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you filed a Federal income tax return for each of the past 10 years? If not, please explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Have your taxes always been paid on time?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Were all your taxes, Federal, State, and local, current (filed and paid) as of the date of your nomination?

[Note: Nominee responded and the information is contained in the committee's executive files.]

7. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

[Note: Nominee responded and the information is contained in the committee's executive files.]

8. Have any tax liens, either Federal, State, or local, been filed against you or against any real property or personal property which you own either individually, jointly, or in partnership?

[Note: Nominee responded and the information is contained in the committee's executive files.]

(The committee may require that copies of your Federal income tax returns be provided to the committee. These documents will be made available only to Senators and the staff designated by the chairman. They will not be available for public inspection.)

SIGNATURE AND DATE

I hereby state that I have read and signed the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

H. LAWRENCE GARRETT III.

This 21st day of May, 1987.

Chairman NUNN. Mr. Garrett, do you have any opening statement?

STATEMENT OF H. LAWRENCE GARRETT III

Mr. GARRETT. Mr. Chairman, I have no opening statement as such. But if I may before I make a few brief personal comments, I would like to represent to the committee that if the committee and the Senate sees fit to confirm me for this position—before I leave my present position you will have the paperwork from the general counsel.

Chairman NUNN. Thank you.

Mr. GARRETT. Thank you. With your indulgence, as I said, I would like to make just a few brief comments.

As you pointed out, Mr. Chairman and members of the committee, I have spent the majority of my adult life in the Navy, first as an enlisted man, a machinist mate in the submarine service; later as an aviator; and finally as a judge advocate.

As you can imagine, I am deeply honored, humbled beyond my ability to express, and profoundly grateful to the President for again giving me the opportunity to serve the U.S. Navy.

In a very real sense I think Marilyn and I are going home, and I have to tell you it feels good.

It is a particular pleasure and honor to be called upon to assist Secretary Webb as he strives to maintain and strengthen the ability of our sea services to meet the ever expanding demands of national security.

His leadership exemplifies courage, commitment and integrity. I can think of no one better suited to lead the Navy at this challenging time.

Finally, I want to express my deep appreciation to Secretary Weinberger for affording me the opportunity to serve as his general counsel, and to witness the dynamic, effective leadership he has brought to the Department of Defense.

I look forward eagerly to continued service with him, and the many outstanding professionals and friends in the Office of the Secretary of Defense.

And I might add my deep appreciation to this committee and to the Senate for confirming me last time.

Thank you, sir. I am prepared to answer any questions.

Chairman NUNN. Thank you, Mr. Garrett.

One or two questions I would like to ask. The Navy over the past few years has made very sizable investments in procuring new ships, and to a lesser degree new airplanes.

These assets are increasing the size of the fleet, and also the costs of operating that fleet at a time when the budget, as we all know, is under a very severe squeeze, and all indications are the squeeze is going to get worse over the next 2 to 3 years.

So we have got a classic situation of whether we can afford-what we are building. Do you have any thoughts on that subject? Is that a subject that you intend to take a look at when you get in your new position?

Mr. GARRETT. Certainly I will. I think Secretary Webb as well recognizes the need and the reality that we face in the out years.

I think with the help of the Congress, the administration has moved forward. We have a much stronger and much more able Navy at this point in time, but there are affordability issues that we are going to have to address.

Certainly I think Secretary Webb and I will do that. I think he has already undertaken an assessment of the Navy and where it is going in the next decade, and obviously, that is one of the issues that we are going to have to address, Senator.

Chairman NUNN. The other one I would like to bring up is the mine countermeasure problem. It is something that has been on the mind of our committee for 5 or 6 years. We have been talking about it and trying to push on that subject.

It is not a subject that is very interesting until we have a real crisis. But we have had some real problems in that procurement program.

Have you in your present position had a chance to look at any of those procurement problems in acquiring these countermeasures for ships and for mines, and what kind of priority do you believe that ought to assume, particularly in light of the Persian Gulf situation?

Mr. GARRETT. In my present capacity, I have not had an opportunity to look into that question. I have been briefed very generally on some of the Navy programs.

Certainly this is one that I think, at least given the brief knowledge that I have at this point, demands my attention and Secretary Webb's attention.

A program was initiated under the Reagan administration and has been ongoing since 1981, as I recall. We have 14 ships planned in the program, and there have been some problems.

I will certainly get together with Mr. Pyatt and Secretary Webb and look into what, if anything, we can do to resolve those problems and move forward with all speed.

Chairman NUNN. Well, I think all of us would certainly believe that to be a top priority, and I hope you will give it your attention.

One other question. You in your present capacity as general counsel have had a lot to do with the Defense Department review of the Goldwater-Nichols Department of Defense reorganization act.

Will you tell us how that is progressing from your perspective, in your present job? And also whether you anticipate any problems in your new job with that act, and whether you have any changes or any suggestions that you would like to make?

Mr. GARRETT. In brief, Mr. Chairman, I think the Department is progressing with the implementation of the Goldwater-Nichols bill. I was basically a supporter. I think the bill goes a long way in the right direction. In my capacity as general counsel, I have worked with the Department of the Navy in reviewing the instructions that they are putting forward to implement the provisions of the Goldwater-Nichols bill.

I think it is going to take some time to implement and to work out whatever bugs we may find.

I am particularly concerned, both in my capacity as general counsel as well as prospective Under Secretary of the Navy, about the impact that some of the Title IV provisions have on certain communities within the Department of the Navy, specifically the submarine service.

I am a supporter of joint duty, and I am a supporter of putting the highest quality of people into the joint arena. But that, too, is an asset and resource driven problem that we are going to have to face.

Chairman NUNN. That is the subject we have talked about in terms of trying to get some amendments to modify some parts of that particular provision, is that what you are referring to?

Mr. GARRETT. Yes, sir. Of course I think the committee and the Congress, as well as the Department, has to be careful of how we find or make exceptions to those provisions.

But I think we also have to face reality. Where the assets are not there to meet the requirements, I think it could very easily result in a punitive measure to those officers serving in those communities when they come up for promotion.

Chairman NUNN. When will that start having an adverse impact if there is no change in law?

Mr. GARRETT. I really cannot quantify that, Mr. Chairman. I think it could have an adverse impact within the next 2 years certainly.

I think we have the ability to employ the waiver provisions in the statute for those who are on the front line at this point in time. But I think at some point in time we are going to have to move away from waiving the requirements, and at that point in time, which I would think would be relatively soon, we are going to find ourselves in a real crunch.

Chairman NUNN. Thank you, Mr. Garrett.

Senator Warner.

Senator WARNER. Thank you, Mr. Chairman.

I thank the Chair for the very gentlemanly comments about the predecessors in the Office of the Under Secretary. And indeed if I may say, and with all seriousness, you have a unique position in the Department of the Navy in that there is no area over which you cannot, on your own volition, take responsibility and exercise oversight. You have a good deal more time than the Secretary, who must contend to a greater degree with Congress and public appearances and the like.

So I hope that you utilize this time to the fullest extent possible to be the backup man for the Secretary and address some tough problems.

The Chair mentioned a concern to all of us, the ability for the Department of the Navy to pay for the many items on order now. A corollary to that is the ability of the Department of Navy to get the men and women to man these ships as they come on line. If the demographics of the United States portend that is going to be tougher in years to come.

In reply to the chairman's question, the Secretary—and I think I have the quote here—is going to look at where the Navy is going in the next decade. Well, I hope at the same time—and I say this not critically but constructively—the Secretary is going to look at where the Navy is going in the next year.

I mean by that that the problems we have been incurring in the gulf, and Senator Glenn, who was here earlier, and I along with others have spent a good deal of time looking at these problems.

There are plausible explanations to what happened on board the *Stark* and the mining and so forth. Those of us who have had some experience can understand it.

The public perception is that the Navy is struggling to do the job it has been given. Whether it should have been given the job or not, that issue was decided by the President, and now the Navy has got that job. It is doing the best it can under very, very difficult constraints, geopolitical constraints.

I am not here to make a speech, but my concern specifically is as follows. That we have built this Navy, and I was a part of it at one point in time, to be a deep ocean Navy, with the thought in mind that the adversary that we hopefully would never have to contend with would be the Soviet Navy and its deep ocean Navy.

But President Carter, and I think quite properly Mr. Chairman, made the decision that the Middle East, the Persian Gulf area, was going to be a very high and really coequal priority with other commitments around the world.

As one looks at the waters in that area, a deep ocean navy has a role, but shallow draft navy also has a role. I would hope that you and the Secretary look at what our Navy might be called upon to do tomorrow in that region, and perhaps other regions of the world, where the carriers, the Aegis cruiser, and some other ships, have less—well, they have a limited role—because of their size and what they were designed to do.

We can go no further with our Navy in building it up and manning it than the public will support. That is not only in terms of dollars through the Congress, but also in terms of the young men and women who will volunteer to go in and wear that uniform.

I say this with modesty—there has been no stronger supporter of the Navy on the floor of the Senate in the last couple of weeks than myself and others present here today.

The Navy has a tough job over there. Let us make sure we have the equipment, the training and operational plans, to move into these contingencies swiftly, taking into consideration the geopolitical considerations which are quite unique in this part of the world.

We simply cannot lay down a contingency military plan without taking into consideration what those geopolitical constraints might well be.

So I wish luck to you and your family. I recall well my days there. I say to your lovely wife and family that there is no decision-making in the Department after 7 p.m. that is not usually reversed the next morning.

So go home and spend some time with your family. You will be surprised to find the same problem there tomorrow when you get back.

Mr. GARRETT. Thank you, Senator.

Chairman NUNN. Can you tell our leadership that applies in the Senate also? [Laughter.]

Senator Exon.

Senator EXON. Mr. Chairman, thank you very much. Mr. Garrett let me welcome you and your fine family here. This Senator had no basic questions of you. I am struck by the broad background that you bring to this job, and a very challenging job it is.

And I think the chairman and the ranking member had adequately laid out the concerns and the role that we think you are going to play in helping our very distinguished Secretary of the Navy in those areas.

So I will be enthusiastically supporting your nomination. We look forward to working with you from time to time on matters that we have concern about. And I believe the Senator from Virginia has laid those out pretty well.

I have no further questions. I would just like to add, Mr. Chairman, that the following comment that I make be stricken from the record, and any questions that come therefrom. [Laughter.]

It says here on your nomination reference report that you are from Virginia, but I take it you are not a native son of Virginia, is that correct.

Mr. GARRETT. Actually, Senator Exon, my family is from Virginia. I was born in Washington, DC, as unique as that may seem, but I was raised in Florida.

Senator EXON. Well, I do not want to go into this any further. [Laughter.]

When I see people from Virginia come here, I generally ask the question: should there be a continuing issuing of the conflict between the States, on which side would they come down?

And I know very well where the sympathies of the chairman and the ranking member would be on that. But since you are not a native son of Virginia, I will not pursue it further.

Mr. GARRETT. Well, I can tell you, Senator, in my family I had people on both sides, from Massachusetts and from Virginia.

Senator EXON. I thought you would cover that pretty well. Thank you very much, I am delighted to support you.

Chairman NUNN. Senator McCain.

Senator MCCAIN. In light of your last response, Mr. Garrett, you are going to go a long way, I can see.

I would also like to extend my congratulations on your selection. You are obviously well qualified for your new position, and we look forward to working with you. I would like to raise a couple of issues with you which I would hope you would consider, and I believe I can speak for some other members of the committee when I address them.

First of all, this committee was placed in a very uncomfortable and unpleasant situation due to a series of circumstances that I think could have been prevented, and that was an issue that you were involved in your previous position as general counsel.

And I am speaking of the Marine selection board issue that was raised. It took an inordinate amount of time of this committee. The chairman had to hold interminable meetings on the issue.

I think it was handled with great patience and understanding on the part of the chairman, and I think he deserves great credit. But I believe that this committee should have been able to do other things besides being involved in that issue.

And I would hope that one of the things you would do, particularly since you are uniquely qualified, is go back and look at the regulations, look at the record of these selection boards, and see if something does not have to be done in addition to existing regulations, in fact, if changes in the law need to be made, that you would come back to this committee and recommend them, so we do not have the repetition of what has obviously damaged some very innocent military career officers who had no reason whatsoever to be damaged in that fashion.

So I hope that you will take a very careful look at that issue so we will never have a repetition of such an incident.

Mr. GARRETT. Senator, I can assure you that I will. As the chairman knows, we in the Department spent a great deal of time, and as I know the other members of the committee know, I and Secretary Webb believe there is nothing more important to the Navy and the Marine Corps and all of the other services than to protect the integrity of that process.

I think we have moved in the right direction in the recent changes to the Department's regulations, but I assure you that we will monitor them closely.

If in fact we see any need to come before the committee or to recommend further changes, either statutory or regulatory, it will be done.

Chairman NUNN. Senator McCain, I would like to join you in that request of the present general counsel and nominee before us today, and I think that is very important.

What I would like to do—and Senator Wilson is here; Senator Glenn had to leave—I am going to be getting a letter out this week to Senator Glenn as chairman of the manpower subcommittee, requesting a hearing on not the case involved but the general rules, regulations and laws, sometime in September.

And perhaps by that time you will be well enough versed in your new position, you already know this area very well, to come over and give us your views about whether there are changes in the law that need to be made.

Mr. GARRETT. I would be more than happy to do so, Mr. Chairman.

Senator McCAIN. Would you yield on that?

Chairman NUNN. Yes, the Senator has yielded to me. And I think I have used his time, but we will not count this, and we come back to you.

Senator McCAIN. I just want to say that I spent a considerable amount of time, Mr. Garrett, in reading your report, the fact-finding information that you came forward with.

I thought it was extremely well done. And it gave us a picture of what did or did not happen there.

And I want to compliment you on a very unusual piece of work there. That gave me the insight that I felt I needed as a member of this committee, and it was well done.

Mr. GARRETT. Thank you, Senator.

Chairman NUNN. Senator McCain, I will give you a couple of extra minutes here. I interrupted you.

Senator McCAIN. Thank you, Mr. Chairman. And I again would like to express my personal appreciation for the enormous amount of patience you displayed during that whole situation.

I believe that the outcome would not have been as beneficial to all if it had not have been for the enormous amount of time you devoted to that issue.

Chairman NUNN. I thank the Senator very much, and I would say the same thing about his time. I know he spent an awful lot of time, as did a number of members of the committee, in working on that matter.

Senator McCAIN. Thank you.

Finally, my time is short, Mr. Garrett, I would just like to reemphasize something that you and I and others on this committee are very well aware of, the increased activity—and by the way, I am sure that the mine issue will be raised by the members of the committee. And I think that the chairman and the ranking member have certainly discussed it.

But I think it is of crucial importance that leadership understand the enormous strain and burden that is now being placed on men and women that serve in the Navy by the increased naval presence in the Persian Gulf.

It is awfully easy to order a ship over there, and it is very easy to order a ship to remain there. It is very difficult to reduce those commitments until long after they are no longer required to be there.

I can say that from personal experience. And at the same time, I believe that the most important thing that you can do for those men and women who are serving under very arduous conditions is to let them know that you appreciate what they are doing, and also to help find ways to compensate them for the very difficult circumstances in which they are spending a substantial portion of their careers.

Mr. GARRETT. I will certainly do that, Senator McCain.

Senator MCCAIN. Thank you, Mr. Chairman.

Chairman NUNN. Thank you. Senator Shelby.

Senator SHELBY. Mr. Garrett, I am sure you are very aware in your present position of the furor caused by the sale of certain machines by Toshiba and Kongsberg of Norway to the Soviet Union?

Mr. GARRETT. Yes, sir.

Senator SHELBY. What do you perceive to be the damage done to us and our Navy by this, and what steps do we need to take to counter the technology that they acquired?

Mr. GARRETT. Well, sir, I think the damage to our Navy, both short term and long term, is significant in the technology that was transferred.

I think what we need to do——

Senator SHELBY. Has it done irreparable damage to the Navy?

Mr. GARRETT. It has done irreparable damage to the Navy in the sense that the advantage that they now have technologically improved manufacturing methods to produce quieter submarine propellers. There are other signatures that their submarines generate that we probably could discuss in another forum.

But certainly the damage is horrendous. And we need, I think, first of all to develop a mechanism, either through COCOM or some other way, to limit the ability of such transfers of technology.

Senator SHELBY. Is this one of your big issues, or will it be within your job?

Mr. GARRETT. It will be within the Navy, of course. The Secretary of Defense takes a very, very dim view, as you know, of the events that have transpired.

And I think we have at least——

Senator SHELBY. But it comes right back to the Navy, which you are involved in?

Mr. GARRETT. Yes, sir. For the Navy, in my opinion, the issue that is manifested in the Toshiba-Kongsberg case is just one aspect of this technology transfer problem that goes across the spectrum, not only for the Navy, but also for the Air Force and for this country.

I think we need somehow to either strengthen the COCOM rules which have, as I understand it, been in place for a number of years, but have been largely winked at in many respects.

Senator SHELBY. Basically ignored?

Mr. GARRETT. I think that is an accurate statement, Senator.

Somehow we need to get hold of that problem and at the same time find the resources, either with the help of the Congress and

the American people, as well as those who have been involved, to address this problem and recover some of the technology that has been lost.

Senator SHELBY. I am hoping this committee and the banking committee that I also serve on, which has the jurisdiction over exports, will be involved in this. I have to agree with you that there has been a tremendous damage done, and perhaps more than the furor has brought out.

Mr. GARRETT. I think the problem, of course, transcends the Department. There are other major players in the Government that do not necessarily, I think, see eye to eye on some of the transfer issues that we see from a national security point of view.

Senator WARNER. I have to agree with you, basically. I think what you are saying is, there is a lot of difference between basic commerce and commerce of high technology with a military application.

Mr. GARRETT. Yes, sir.

Senator SHELBY. And we have got to define that and enforce that somehow?

Mr. GARRETT. I would agree, sir.

Senator WARNER. Would the Senator kindly yield to me a minute on that subject?

Senator SHELBY. I would be glad to yield to the Senator.

Senator WARNER. I tried very hard when the trade bill was up to get some interest from the Department of Defense and elsewhere to try and have this committee be provided with such information as is necessary to provide a little oversight there.

But I will tell you right now, I got a severe body block from the administration, which got together on this issue and foreclosed my amendment before it got to the floor.

So I am delighted to hear my distinguished colleague say, in his committee work on banking, that you will take a look at it.

But I had a very simple amendment, asking the Department to provide this committee and the House committee with such comments as they may have on this new trade legislation. And, man, they cut me down in short order.

Mr. GARRETT. I can assure you, Senator, that when I go up to the Navy, if the committee sees fit to confirm me, that I will look at that issue in terms of the effect on the Navy, and certainly within the Department.

Senator SHELBY. I agree with the comments of the Senator from Virginia.

Several of us on the banking committee were involved in that, trying to bring forth to the people the real damage that this had caused.

And I agree, basically, with Mr. Garrett that I am sure it is not just the Navy involved. It is probably people that we do not know about that have done things to the Air Force and the Army by selling technology.

But I believe this committee, Mr. Chairman, ought to really be involved in this kind of legislation. And I think we have got to move in this direction.

Otherwise, all the money we spend and all the technology we have, it is traded just like a crate of apples in the world.

Chairman NUNN. I think it is enormously important. I have had a number of hearings over the years, in the investigative subcommittee of the Government Affairs Committee, and I got very involved in this.

And the more you get into it, the more you find problems anywhere you go.

One of the basic problems is that, whereas the United States—I do not want to be held to these figures—but like, 10, 15 years ago, we were producing about 60, 65 percent of the high technology in the world.

A lot of people do not realize it, but it is now down to about 30 percent. So the United States, is not like the mother hen sitting on all of the eggs. We have got technology being produced in abundance in other countries around the world which is beyond our control in a technical sense.

We have got to get cooperation from our allies. That is what is so important. And in this case, it is my understanding this technology was not something transferred from the United States to Japan.

Was it or was it not?

Mr. GARRETT. Not to my knowledge. It was technology from Japan.

Chairman NUNN. It was technology from Japan. So the technology transfer issue, while enormously important, is not the whole problem. A whole lot of the technology is in their hands.

And so if we do not find ways of working with them, you really cannot solve the problem.

And the other place it interrelates is with NATO. We have been trying our best, and have for years, to have more interoperable equipment. And one of the biggest problems in the whole alliance is, everybody invents their own thing.

And if you do not watch it, what you do by getting rigidity in a technology transfer sense among the allies is, you undercut the effort to have interoperability which is one of the major problems.

So there are a lot of different issues here. I would like Senator Bingaman's subcommittee to take a real close look at that in the coming months, because I think this committee does have a real stake in it and an interest in it.

Senator SHELBY. We have a lot of jurisdiction in this area, too. Thank you, Mr. Chairman.

Chairman NUNN. Senator Wilson.

Senator WILSON. Thank you, Mr. Chairman.

Mr. Chairman, I note that Mr. Garrett has a very broad background, and he clearly disproves the calumny that lawyers do not make good administrators.

He is going to have the opportunity to do that once again very shortly.

Somehow, no one in all the reserve kind of comments that have been made has fastened upon the key to his success, which is, that he is a graduate of the University of San Diego School of Law.

Senator McCAIN. I object. [Laughter.]

Senator WILSON. The fact of the matter is, he has been a very busy and obviously a very versatile and effective public servant.

I do not have any questions. I will simply make this comment. In addition to joining in the swelling chorus of praise for the very

good job that Larry has done, I will say that one of your responsibilities, and only one, but it has been a very important one, will have to do with the shipbuilding program, which is in trouble.

It is a very difficult thing, at a time of financial duress, and we are in my judgment behind where we should be, despite the very vigorous efforts of Secretary Lehman and Secretary Webb.

Through no fault of theirs, you are, I think, facing a very severe problem, particularly as it relates to our industrial capabilities and ship repair capability.

And of course in terms of ship construction, the Navy is the only game in town domestically. There is no commercial construction. It has dropped off to almost nothing.

Our yards have shrunk. And so in that very difficult and challenging setting, I look forward to working with you.

Mr. GARRETT. I look forward to working with the committee on those issues, and hopefully, Secretary Webb, in his position as the head of the Maritime Commission, will be able to address some of these issues, and possibly come up with some kind of long term strategy to address that problem.

Because it is, I think, a pressing problem, and one that becomes more acute each passing day.

Senator WILSON. I have spoken to Secretary Webb about this on one occasion, and he has indicated not only sympathy for the problems of the industry, but more importantly, the need for us to sustain our important industrial capability.

One of the things that I would ask you to look at early on is the policy that the Navy has which has resulted in a delay in payment to most of the people in this industry who are, with a few notable exceptions, small businessmen with a great deal of margins with which to work.

They are receiving partial compensation, in effect, progress payments. There has been a real problem in terms of the Navy's being a slow pay. And it is particularly difficult for these people, because they simply do not have much in the way of cushion.

Mr. GARRETT. I will do that, Senator Wilson. I will get together with Secretary Pyatt and Secretary Webb and address that issue.

Senator WILSON. Mr. Chairman, I would only add my good wishes, and state that I think we are fortunate that Mr. Garrett was willing and available for this new duty. And I am sure he will perform it admirably.

Chairman NUNN. Thank you, Senator Wilson. Senator Kennedy.

Senator KENNEDY. Thank you, Mr. Chairman.

Mr. Garrett, I am looking forward to supporting you. There is one nomination of this administration that I have trouble with, but I look forward to supporting your nomination.

I was not here at the very opening of the hearing, and if you have gone through in terms of the minesweepers, I do not want to repeat the questions. I do not know that detail—

Chairman NUNN. We asked a general question about it.

Senator KENNEDY. Well, let me just ask a few specific questions, because we are in a situation where as I am sure you are familiar, we did not authorize the three additional minesweepers this year because of what has happened within the program, the various schedule slippages.

We find that contracts for one of the MCM-1 ships, authorized in 1985 and for the two authorized in 1986 have not yet been awarded.

Further, the cost overruns of the ship now on sea trials that is expected to come into the fleet next month, is \$53 million above the original \$100 million estimate.

I am just wondering if you can bring any news or information to us about where that program is, and what you intend to do.

Mr. GARRETT. I regret, Senator, that I am not able this morning to bring you any specifics regarding the program. I am generally familiar with it, and familiar with the fact that it has had problems, and obviously, it is a first order of priority, given the circumstances that we face today.

And I will submit to you that I will make it a matter of first priority, and I will get back to the committee when I do that.

Senator KENNEDY. Well, I think that would be very helpful. Because we find, as the discussion goes ahead in terms of the makeup of the Navy contingent in the gulf and what our capabilities and capacities are, I think people will be asking us.

You know, the administration actually requested these ships. I think it would be wise or helpful to all in terms of the security interest of the country as well as obviously the Navy and the responsibility of this committee to have your strong attention on that issue.

Mr. GARRETT. I assure you, you will get it, sir.

Senator KENNEDY. Just one other area that I would like to have your views on and that is, the retention problems in the Navy, particularly with regard to the pilots and the submariners.

I think you are familiar with the fact that military pay is falling behind the civilian sector. Moving expenses are inadequate and there are housing difficulties.

As a result we have seen, a decline in the retention rate for pilots and the nuclear submariners. I would be interested in what priority you give to that issue to ensure that we are going to have the kind of quality personnel we need?

Mr. GARRETT. Well, sir, given my background and experience having personally experienced deployments and the arduous nature of sea duty, I know the problems well. I think it is an issue that should have the highest priority. It does absolutely no good for us to have a 600-ship Navy if we cannot man them with capable, qualified people.

Of course, the Navy today, I think, is blessed with the highest quality people; the best that America produces. While we do have retention problems in the aviation community, I do not think that is necessarily unique. Going back over my 20 years of experience, whenever the airlines are hiring, it is very hard for us to retain a lot of our younger people, when they are subjected to the long deployments and the time away from home and away from family.

But I can assure you that is one of my personal highest priorities. I know it also is one of Secretary Webb's, and we both sing off the same sheet of music, Senator, when it comes to that issue.

Senator KENNEDY. Well, I welcome that. We have developed a whole series of incentives in order to hold these personnel, but even those have declined.

We have taken some action in this committee to try and redress this decline. We look forward to working with you closely, and I think we do have superb personnel.

I think the real question is: How are we going to be able to maintain them over a period of time?

The Navy is very fortunate in terms of having good personnel, but eventually, slippages in benefits catches up. I think it is important that we retain our personnel and we look forward to working with you.

Mr. GARRETT. Thank you very much, Senator Kennedy.

Chairman NUNN. Thank you, Senator Kennedy.

Senator Quayle.

Senator QUAYLE. Mr. Chairman, I have no questions other than to wish the nominee very well.

Mr. GARRETT. Thank you, Senator.

Chairman NUNN. Senator Levin.

Senator LEVIN. Thank you, Mr. Chairman.

On the situation in the gulf, I am wondering if you could give us your assessment of our ability to counter the mine threat with the available mine countermeasures that we have?

Are you in a position that you can do that, or have you done that already this morning?

Mr. GARRETT. I have not done it this morning already, and I would not, Senator Levin, pretend to be a naval strategist or tactician.

I would not feel out of place addressing the issue, but I think I could do it better once I am there and become more familiar with the issue.

Certainly our mine countermeasure ability is lacking for some reason unbeknownst to me. I believe the proper attention was not paid to that aspect over the years, dating from the late 1950s until this administration.

I think that, given the ability that we have with some of the helicopters, and in that particular area of the world, we do have the ability to effectively sweep the area.

But that is not to say it cannot be done better, and that is not to say that it should not be done better.

Senator LEVIN. Mr. Garrett, one of the legal questions that has arisen in the context of the administration's reinterpretation of the ABM Treaty is whether space-based kinetic kill vehicles should be considered as modern versions of the traditional ABM interceptor missiles, or as exotic ABM components, based on, quote, other physical principles, close quote.

Now, on May 13, Judge Sofaer was reported as saying that he had not yet reached a decision on that question, and that the lawyers at the Pentagon had not either.

Has the DOD Office of General Counsel reached any conclusion on that question yet?

Mr. GARRETT. We have not. It is a divisive issue, as you can well imagine, between lawyers. You get eight in the room, and you will get eight different opinions. That is an issue that we are examining very carefully, and have not yet come to a definitive decision or recommendation to the Secretary.

Senator LEVIN. Do you have an estimate as to when it is likely that the DOD Office of General Counsel will reach a conclusion? Or is that timetable not set?

Mr. GARRETT. The timetable is not set, sir.

Senator LEVIN. Now on May 19 the Secretary of Defense submitted a report on tests that the SDIO could conduct if the President directed the restructuring of SDI to conform to the so-called broad interpretation.

There was a list of tests that were submitted by the Secretary of Defense.

The report assumed, for the purposes of analysis, that those space-based kinetic kill vehicles were ABM components based on other physical principles and not modern versions of traditional AMB interceptor missiles.

Now, this assumption is crucial, obviously, because if those kill vehicles are judged not to be based on other physical principles, then they cannot be developed or tested in space, even under the broad interpretation.

Did your office review and comment on that May 19 report?

Mr. GARRETT. We reviewed, and I believe that we came down with the conclusion that, as you point out, that assumption is crucial because if you do not get there, it matters not how you come down on the treaty, whether the broad or the narrow; they may very well be prohibited.

Senator LEVIN. But if in fact your office had not decided on how to categorize those space-based kinetic kill vehicles, how could the report have been sent?

Mr. GARRETT. It was an assumption, Senator Levin. My position in addressing that issue and in reviewing the report was that it was essentially a factually-driven question as to whether or not a component or components were in fact based on other physical principles.

Senator LEVIN. And so the report explicitly stated that it was an assumption that had not yet been resolved?

Mr. GARRETT. I cannot quote from the report, Senator. It has been some time since I looked at it. I would be happy to go back and visit the issue if you desire.

Senator LEVIN. Would you do that? And if it did not explicitly state that it was an assumption for the purposes of discussion in that report, would you indicate to us whether you think that might have been advisable to do that?

Mr. GARRETT. I will, sir.

Chairman NUNN. Could I ask a follow up brief question on that? How many lawyers have you had working on this question?

Mr. GARRETT. I had three, and myself. Of course I review what they put forward. Basically, Senator Nunn, we had taken the position when I got to the Department; my predecessor apparently had taken a position on the issue.

The Secretary has not asked me to look at the issue summarily and I have not. I know that Judge Sofaer and the State Department are working to come up with an administration position on the interpretation of the treaty.

I have personally felt that this is not a question that the lawyers are necessarily going to resolve and, for that reason, I did not enter the fray.

Chairman NUNN. So this means there is not going to be any DOD general counsel position on this issue?

Mr. GARRETT. The position that I have taken at this point in time is that we will abide by the State Department's interpretation.

I still do not think that, as you know, whether the State Department comes down one way or the other, that is necessarily going to resolve the issue.

Chairman NUNN. Do you have a personal view on the issue?

Mr. GARRETT. No, I do not. Since I have not gone through the work that you yourself have in going back through the record, I would be reluctant to state a personal opinion on that issue.

Chairman NUNN. Thank you.

Senator WARNER. Mr. Chairman, I wonder if I could just ask quickly that our understanding up here, of the interagency process on issues like this is that each department or agency really does a de novo analysis, and then it is coalesced and an administration position is derived.

Are you telling us on this critical and important issue that there will be no de novo analysis by the Department of Defense?

Mr. GARRETT. What I am saying, Senator Warner, is there was an analysis done in, I think, late 1985 by the Department. It came down and I believe the Secretary's position has been well stated.

I think since that time the State Department has undertaken this very comprehensive analysis. I am sure that we will play in that issue, or my successor will, and that there will be, I am sure, an interagency process in which the Department will play.

Senator WARNER. Thank you.

Chairman NUNN. Senator Levin, we may have interrupted you. Did you have another question?

Senator LEVIN. Just one, to follow up. I am not sure what you meant by your statement that the Defense Department would then be following the State Department's lead.

Mr. GARRETT. I was speaking for my position, and the arguments that I have had internal to the Department.

Senator LEVIN. It is your position that is what the DOD—

Mr. GARRETT. My position as general counsel is, I will await the State Department's analysis, and we will review it. The Department took a position in 1985.

I do not consider it at this juncture, Senator Levin, productive, given my resources, for me to enter the fray.

Senator LEVIN. Mr. Garrett, I will be pleased to support your nomination. I have heard some very good things about you, and look forward to working with you.

Mr. GARRETT. Thank you, Senator.

Chairman NUNN. Mr. Garrett, would you furnish to the committee the analysis you have had on broad versus narrow, any analysis you have had on that subject?

Mr. GARRETT. I will go back to my people and furnish you what we have, Senator.

Chairman NUNN. Thank you.

Mr. GARRETT. You are speaking, Senator, of that which was done in 1985?

Chairman NUNN. Whenever it has been done. I would just like to have whatever you have done in the last 2 or 3 years on this question of broad versus narrow, and on the question of kinetic, and whether kinetic applies to broad versus narrow.

Senator Symms.

Senator SYMMS. I would just ask unanimous consent my statement in favor of Mr. Garrett be entered into the record at this point.

Just an inquiry to the Chair, are we about to vote? I would be happy to cast my vote, but I have got to go to another meeting.

[The prepared statement of Senator Symms follows:]

PREPARED STATEMENT BY SENATOR STEVEN D. SYMMS

Mr. Chairman, I'm delighted that the committee is today considering the nomination of H. Lawrence Garrett. He is highly qualified and I'm confident he will be an excellent Under Secretary of the Navy.

But, I'm particularly pleased that we are acting on this nomination because this position is one that has gone unfilled and sorely needs filling. Secretary Webb needs the support of such men as Mr. Garrett. Indeed, our national defense suffers because there are a number of important DOD positions that remain unfilled. That means that important decisions necessary for a strong defense are not being made within the organizational structure the Congress has established.

I hope this committee will be acting on pending DOD nominations shortly.

Chairman NUNN. I would like to vote as soon as possible. I do not want to cut anybody off from questions.

Senator Wirth.

Senator WIRTH. Thank you very much, Mr. Chairman.

Mr. Garrett, I am delighted you are here and look forward to supporting your nomination and having you join that long list of distinguished Under Secretaries of the Navy, which has been very impressive in the past on the issue of the defense industrial base raised by Senator Shelby.

The subcommittee that Senator Nunn has set up under the chairmanship of Jeff Bingaman has been looking at a series of issues, and is working very closely with Mr. Costello, the Assistant Secretary of Defense.

I do not want to go any further than that at this particular point other than to urge you, assuming you take on this new responsibility, to immediately get in touch with Mr. Costello and get up to speed on what he is doing, as I think that goes very much to some of the questions raised in your exchange with Senator Shelby and with the chairman.

Mr. GARRETT. I will certainly do that, Mr. Chairman. I know Mr. Costello very well, and most of the people at the OSD level. So I look forward to working closely with him.

Senator WIRTH. He's very able, and he's done a first rate job of beginning to focus more directly on defense industrial base issues.

I have a question for you related to forward deployment. When Mr. Webb was here, for his confirmation hearings, the question of forward deployment of aircraft carriers came up. And he said that he would be reviewing our strategy as it pertains to that, much as he was going to be reviewing others strategic considerations.

I wonder if you have had any discussions of this subject with Secretary Webb?

Mr. GARRETT. I have not, Senator. Unfortunately, given the events of the past several weeks, relative to the hearings that have been ongoing up here, I have not had the opportunity to sit down and even visit with Secretary Webb on other issues. But I am sure I will be, once I am upstairs, if the committee deems that is to be.

Senator WIRTH. I think there are a lot of people up here who, as you know, historically have been concerned about that particular strategy and approach, which has been such a strong determinant of the future direction of the Navy, as you well know.

And there has been a good deal of commentary in the last month, that has arisen along with the reflagging issue, as to whether or not the Lehman strategy was a wise one, and how we have learned from the situation in the Persian Gulf is relevant to this matter, all of which points toward the review that Secretary Webb said he was going to be undertaking.

Mr. GARRETT. I am sure there will be some very valuable lessons learned in our operations there.

Senator WIRTH. I would think so. I raise this, Mr. Garrett, not because you have been involved in that, but again, in hopes that you might move this reassessment or strategic review up the ladder.

Mr. GARRETT. Up the priority ladder?

Senator WIRTH. Yes. I think it is very important, and I think there are probably going to be some things that we can learn from our experience in the Persian Gulf that are relevant to that evaluation.

Finally, you have a reputation for being a very effective administrator and advocate, and we are pleased to have you taking on this new responsibility.

I hope that, as part of that advocacy and effectiveness, you will be able to persuade the administration and some of our colleagues in the Senate to permit the Defense authorization bill to be brought up for floor consideration as rapidly as possible.

It seems to me that there is a great deal of common interest between the Navy and the committee reflected in that bill, and both the Navy and the committee have done an enormous amount of work on that particular piece of legislation. To have it languish out there does not seem to me to make very good administrative sense.

I know your record indicates you are a very good administrator, and I would hope that you would put those administrative skills to work to enable the Senate to consider that legislation as quickly as possible.

Mr. GARRETT. Certainly, I will argue as persuasively as I can. My persuasive powers have not been the best on occasion, but I will do that.

Senator WIRTH. Well, Mr. Chairman, I would just note that here we are today, acting on a very important appointment of the administration, and we are cooperating in every way.

And we acted on the Greenspan nomination yesterday, I believe, which of course was something the administration wanted to do.

I just want to commend the chairman of the committee on the cooperation with the administration he is demonstrating. I would

hope that we might have the same kind of cooperation in the future from the administration in bringing up the authorization bill, on which I think all of us would like to see the Senate act.

Chairman NUNN. Well, I share the Senator from Colorado's observations. I think he is right on point.

And the Secretary of Defense mentioned the other day, when we were in the Iran hearing, that he wanted to get his 2-year authorization bill passed.

He said he would even hope we could get 1 year passed. So if you would just tell him we have got a 2-year authorization bill on about 70 percent of his budget waiting, and all it would take is a word from him. He would have such enormous influence on the Members of the Senate, just two or three people and we could get that bill right up. I hope that word will go out.

Senator WARNER. We hear you.

Chairman NUNN. Senator Thurmond.

Senator THURMOND. Thank you, Mr. Chairman.

Mr. Garrett, I had to go to the White House for a meeting this morning and could not be here for the full hearing. But I have looked into your record, and I think you have an excellent record.

And I would be very pleased to support your confirmation.

Mr. GARRETT. Thank you, Senator.

Senator THURMOND. I have a few questions. They are very important questions, but to save time, I would ask unanimous consent to submit them for the record.

Chairman NUNN. Without objection.

Mr. Garrett, we would like to get those as soon as possible.

Do we have a quorum?

Mr. PUNARO. Senator McCain is coming up.

Chairman NUNN. Mr. Garrett, do you have any closing statement you would like to make?

Mr. GARRETT. Thank you, Mr. Chairman, but I do not.

Thank you for your indulgence.

Chairman NUNN. Thank you. We look forward to working with you, and I do not think you will have any problem on confirmation.

And while we are waiting on a quorum, I would like to say that I think your examination to the Marine Corps matter that we talked about was done very thoroughly.

We did not agree with the Secretary's conclusions, but we did base our conclusions on your very thorough analysis, and it was very helpful to us in a sensitive and important situation.

Senator WARNER. Mr. Chairman, I join you in that observation.

Mr. GARRETT. Thank you, sir.

Senator WARNER. Mr. Chairman, I am also going to ask the nominee to provide a more detailed personal biography to the committee. And counsel will work with you on that.

Mr. GARRETT. Yes, sir.

Chairman NUNN. You mean his vita is not in keeping with past Under Secretaries at this point?

Senator WARNER. I'm trying to figure out how he got out of the submarine force into the air; there is some pretty good maneuvering there. [Laughter.]

Chairman NUNN. May I have a motion on this nomination?

Senator EXON. I so move.

Senator WARNER. I second.

Chairman NUNN. Is there a quorum present?

Mr. PUNARO. Yes, sir.

Chairman NUNN. Is there objection to the nomination?

[No response.]

Chairman NUNN. Without objection, the nomination passed the committee, and we will do our best to get it through before the recess.

[Questions for the hearing record, with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR STROM THURMOND

MINE WARFARE

Senator THURMOND. Mr. Garrett, we have spent a considerable amount of money in recent years to ensure that our Navy could meet any threat. Events in the Persian Gulf, however, indicate that some of the most unsophisticated countermeasures can cause us great problems. What will be your recommendations to Secretary Webb as his Under Secretary concerning offensive and defense mine warfare?

Mr. GARRETT. The controversy over our mine warfare capability is getting some very realistic attention. There is a CNO Executive Panel currently reviewing mine warfare in general. Additionally, a CNO Executive Board (CEB) is scheduled for this Fall to examine MCM force levels. Specifically, matters under consideration are numbers of surface and airborne units, new mine development, and revitalizing mine countermeasures equipment. Forthcoming recommendations on my part would be based on examining our current capability and the results of the aforementioned studies.

MINING CAPABILITY

Senator THURMOND. In your opinion, has the Navy committed enough resources to develop advanced mines and improve our mining capability in comparison to aircraft, missile and warship programs?

Mr. GARRETT. While we have not built stockpiles of mines on the magnitude comparable to the Soviet numbers, we have been systematically developing very capable mines of the CAPTOR and SLMM variety, as well as a new family of QUICK-STRIKE mines to add to our inventory. It is difficult to make a direct comparison between weapons systems, but mine warfare has been growing. Current studies will determine if we should accelerate growth and development, and to what levels.

MINE COUNTERMEASURES

Senator THURMOND. During the Second World War, the German Navy conducted a limited mining operation against our ports. In all, probably less than 400 mines were used. Yet, several of our ports were closed for up to 40 days as a result. It seems to me that that was a fairly cost effective operation considering the amount of shipping tonnage that was delayed. Would you agree?

Mr. GARRETT. Mine laying is an effective, relatively inexpensive means of inflicting damage or controlling areas of importance. It is mine countermeasures that are expensive. Mine warfare, which encompasses both, is a very worthwhile addition to an overall warfighting capability.

STRATEGIC HOMEPORTING

Senator THURMOND. Mr. Garrett, several years ago, former Secretary of the Navy Lehman sought funding for new Navy homeports under the strategic homeporting concept. He cited threats to our ports as a prime reason. Dispersing about 10 percent of the fleet to new ports is a very costly passive defensive measure. Of the \$700 million in new construction and the more than \$1 billion *annual additional* operations and maintenance costs to operate these new ports, we could have built a lot of mine sweepers that could be used to protect our ports, or in certain contingencies, could have been deployed overseas. Do you agree?

Mr. GARRETT. Disbursing our ships in the strategic homeporting plan is a key factor in complicating a mine laying adversary's operations and increasing the probability of deploying the fleet. Also, mines are not the only threat to large numbers of ships concentrated in a few major ports. Attacks by air, aircraft or missile, and

terrorists are also deterred or at least made less efficient by dispersing ships assets. The acquisition of the MCM-1 and MHC-51 classes and the MH-53 helicopters are key to revitalizing our MCM force. These new platforms, Craft of Opportunity (COOP), and the MCM possibilities afforded by the LCAC ensure a capable and flexible MCM force for clearance of naval and commercial ports.

QUESTIONS SUBMITTED BY SENATOR WILLIAM S. COHEN

CONGRESSIONAL INTENT—ASSIGNMENT OF WOMEN ON SHIPS

Senator COHEN. Congress looked closely at the assignment of women in the Navy in the late 1970s when it decided to allow Navy women Temporary Additional Duty assignment on combat ships. In the Senate Armed Services Committee report outlining congressional intent for the assignment of women, the Mobile Logistics Support Force was clearly listed as suitable for the assignment of women. Why 8 years later has this group of ships—which the Navy recently renamed the Combat Logistics Forces—not been opened to women?

Mr. GARRETT. The Navy did open some Mobile Logistics Support Force ships to women, but not all. Mobile Logistics Support Force ships that were opened include: Stores ships, Hydrographic Survey ships, and Fleet Ocean tugs. It was not the intent of the Navy to open all of the Mobile Logistics Support Force ships to women (i.e., Replenishment Oilers and Ammunition ships were not opened). Certain Mobile Logistics Support Force ships were reclassified to Combat Logistics Force to better reflect their primary mission, but this only made clear the distinction in mission.

NAVY POLICIES VS. ARMY AND AIR FORCE'S

Senator COHEN. Are you comfortable with the positions Air Force and Army women are now playing?

Mr. GARRETT. As with Navy women, I believe Army and Air Force women should be utilized to the maximum extent possible within the constraints of Federal statute.

Senator COHEN. The General Accounting Office is currently doing a comprehensive review of the assignment of women in the military. If that report were to conclude that the assignment policies in the Navy are inconsistent with those of the other services, and that analogous combat support sectors in the Navy could be opened up with the combat exclusion laws, what might your reaction be?

Mr. GARRETT. It is impossible to attempt to draw a parallel line between the Navy and the other services due to the Navy's unique operating procedures. The Navy operates in a completely different combat environment.

Senator COHEN. What if it were to conclude that the Military Sealift Command, which is open to women, has the same mission as the Combat Logistics Force, which is closed to women?

Mr. GARRETT. It is conceivable the Military Sealift Command and Combat Logistics Force could perform the same mission, but their primary mission is not the same. As a general rule, Combat Logistics Force ships provide direct battle group support while ships of the Military Sealift Command provide support to the Combat Logistics Force.

MORALE PROBLEM AMONG NAVY WOMEN

Senator COHEN. Because of recent events like the Navy's refusal to implement the EEOC order in the case of Pamela Doviak, the proposed 5-year cap on the female end-strength, the reclassification of the Mobile Logistics Support Force, the Federal court decision that a Navy's equal employment opportunity official is guilty of sexual harassment, I have received many letters indicating a real potential morale problem among Navy women. Given that women make up an important 10 percent of the active duty force, what would you do to address this morale problem? What programs would you recommend that would more fully maximize the potential of the women in the Navy?

Mr. GARRETT. First of all, I need to address the opening pieces of your question, one at a time. In the Doviak case, Secretary Webb decided that Ms. Doviak shall be embarked on normal submarine sea trials just as any other civilian shipyard worker.

On the so-called cap on Navy enlisted women, the Chief of Naval operations' original proposal was made in recognition of the fact that total Navy end-strength had not grown as projected when the percentage of women sailors to be enlisted was cal-

culated. The reduced number which the CNO put forward was therefore not in any way a lack of confidence in the capabilities of enlisted women but a reflection of congressional cuts in our end-strength requests.

On the "reclassification" of the Mobile Logistics Support Force (MLSF), its change of name to the Combat Logistics Force (CLF) did not remove a single vessel from the list of those on which women may serve under the law. The name change merely reflected the difference in mission between those ships which sail with battle groups (the CLF) and those which sail only to the edge of the battle zone (MLSF).

Finally, the Federal District Court ruling of sexual discrimination against the Navy in the *Delgado* case is currently under review, particularly with regard to the future of the equal employment opportunity official in question. I cannot say anything further so as not to prejudice his rights under the law.

In summary, these and other efforts prove that the Navy's policy toward women is to ensure their maximum utilization. The Navy makes every effort to place women in areas where there is growth and upward mobility. The Navy has zero tolerance for sexual harrassment. We support equal opportunity for all women in the Navy and are constantly on the lookout to eliminate any artificial barriers that may stand in the way. The Navy is constantly seeking new ways to better employ our women to their highest potential.

Senator COHEN. Do you feel women in the Navy should be allowed to perform any job based on their personal qualifications?

Mr. GARRETT. Absolutely. Women should be allowed to perform any job for which they qualify that is not in conflict with the law.

NAVY WIVES

Senator COHEN. In a November address to the Defense Advisory Committee on Women in the services, Secretary Lehman said that the cost and trouble of reconfiguring ships to accommodate women would be negligible and that the real obstacle to putting women in more ships was the fear of opposition from Navy wives. Do you agree that this is a principle reason for not increasing the sea duty assignments for Navy women?

Mr. GARRETT. Title 10, U.S. Code, Section 6015 limits the type of ships to which women may be assigned. This is the principle reason for limiting sea duty assignments for Navy women. A 1980 study by the Navy Personal Research and Development Center showed that only 5 percent of officer wives and 8 percent of enlisted wives felt negative toward the prospect of their husbands associating with Navy women on an unaccompanied tour or aboard ship.

[Whereupon, at 11:12 a.m., the hearing was adjourned.]

[The nomination of H. Lawrence Garrett III was reported to the Senate by Senator Sam Nunn on August 4, 1987, with the recommendation that the nomination be confirmed. The nomination was confirmed by the Senate on August 5, 1987.]

NOMINATION OF ADM. WILLIAM J. CROWE, JR., U.S. NAVY, FOR REAPPOINTMENT AS CHAIR- MAN OF THE JOINT CHIEFS OF STAFF

TUESDAY, SEPTEMBER 29, 1987

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The committee met, pursuant to notice, at 10:32 a.m., in room SR-222, Russell Senate Office Building, Senator Sam Nunn (chairman) presiding.

Present: Senators Nunn, Exon, Glenn, Shelby, and Warner.

Staff present: Arnold L. Punaro, staff director; Patrick A. Tucker, minority counsel; Robert G. Bell, John J. Hamre, James R. Locher III, Frederick F.Y. Pang, and Sherri Wasserman Goodman, professional staff members; Pamela G. Powell, staff assistant.

Also present: Jeffrey B. Subko, assistant to Senator Exon; William J. Lynn, assistant to Senator Kennedy; Charles C. Smith, assistant to Senator Dixon; Milton D. Beach, assistant to Senator Glenn; Terrence Lynch, assistant to Senator Shelby; Mark J. Albrecht, assistant to Senator Wilson; Samuel J. Routson, assistant to Senator Symms; Patrick A. Putignano, assistant to Senator McCain.

Chairman NUNN. The committee will come to order.

Our committee meets this morning to consider the nomination of Adm. William J. Crowe, Jr., U.S. Navy, to serve a second 2-year term as Chairman of the Joint Chiefs of Staff, the Nation's most senior military position.

Admiral Crowe needs no introduction to the membership of this committee. He has appeared before the committee many times, especially during the last 2 years. In addition, there has been an excellent dialogue between Admiral Crowe and members of the committee on a number of important defense issues.

When Admiral Crowe appeared before the committee at the time of his first nomination to serve as Chairman of the Joint Chiefs of Staff, I made the following prediction about him. I said, and I quote my remarks at that time: "I think he is the right man in the right place at the right time." In my view, this was an accurate prediction. Admiral Crowe has performed his demanding responsibilities in a difficult period with considerable skill, intellect, and positive results.

As the challenges of the next 2 years may be greater than those of his first term, Admiral Crowe's experience and expertise may be further tested. Although Admiral Crowe will not be solely responsi-

ble for many of these challenges, he will have a very important role in confronting them.

I would just like to list these challenges as I see them in a very broad fashion this morning, before we get into our questions.

First, there is the U.S. military strategy. Recent attention on this long-neglected subject has revealed serious deficiencies in the formulation and articulation of our strategy. I know that Admiral Crowe has assigned high priority to strategy-making and has been working on improvements. I also know that Secretary Weinberger has a special group working on strategy now. I have been in touch with them, and I look forward to getting the benefit of their views.

Second is the need for fiscal reality in defense planning and programming. The Pentagon's 5-Year Defense Plan is out of line with both the President's budget and congressional projections. Of course, it is much more out of line with congressional projection than it is with the President's budget. But there is a gap between the President's budget and the Pentagon budget which is very large.

Tough budgetary decisions will be the order of the day for the next several years. The committee staff now estimates that the Pentagon's 5-Year Defense Plan is some \$300 billion over the congressional budget resolution levels projected for the same period. Of course, I hope that there can be ways found to get the congressional budget up. But, I must confess, I am not terribly optimistic about that.

In this austere environment, we must have a better sense of priorities from the Department of Defense than we have received in the past.

The third challenge will be establishing a more direct link between the defense budget and our military strategy. Testimony before this committee revealed the absence of a strategic context for many program proposals. This will be even more important for us to begin to come to grips with as the budget squeeze is on.

Fourth is the need for effective implementation of management and organizational reforms, both from the Goldwater-Nichols Department of Defense Reorganization Act and the Packard Commission. As Secretary Godwin's resignation has demonstrated, institutional resistance within the Department of Defense to some of the reform programs that have indeed been endorsed by the President and even the Secretary of Defense remains very formidable.

Of particular concern are not only acquisition reform and resource allocation problems, but also Special Operations Forces, reorganization and reform, independent net assessments, and improved contingency planning.

Admiral Crowe, I look forward to reviewing the net assessment that you have delivered to the committee. It is in classified form, and I think that it is enormously important. I look forward to reviewing that at an appropriate time, and going into some detail with you on that.

A fifth challenge relates to what I would call the post-INF era, assuming we get an INF agreement that is in the form of a treaty and assuming at some point that the Senate will ratify that. Those assumptions may or may not prove to be accurate. But, nevertheless, whether or not we get an INF agreement, the whole question

of conventional force balance and conventional arms control, I think, has to be addressed by this country and by our NATO alliance.

Admiral Crowe's net assessment as the Chairman of the Joint Chiefs of Staff concluded in his testimony earlier this year that the trends in the NATO-Warsaw Pact military balance are negative. The potential removal of all intermediate-range nuclear force weapons in Europe gives impetus to the need for that kind of review.

I hasten to add that we had an imbalance in conventional forces before the Soviets put SS-20 missiles in Europe; we are going to continue to have an imbalance after. To attribute everything we have in NATO to the INF matter is, I think, misreading history.

The committee would like to hear, Admiral Crowe, how you intend to meet these challenges, assuming that you are confirmed for a second term as Chairman of the Joint Chiefs of Staff. I am sure there will also be many other questions.

Before hearing Admiral Crowe's opening statement, I will ask if there are any other members of the committee who have statements.

Senator Warner is on the floor now. Unfortunately, we have the Defense bill pending at a time we are having a hearing, but there was no avoiding that. We have to move on this matter before October 1 to ensure that we will have a JCS Chairman continuing in place in this very important position.

Senator Warner I am sure will be over in just a few minutes.

Senator Exon, do you have any remarks for us?

Senator Exon. Mr. Chairman, I have no opening statement. I just want to welcome the Admiral here. I will have some comments, questions, and suggestions when my time comes.

Chairman NUNN. Thank you.

Senator Shelby.

Senator SHELBY. Mr. Chairman, I do not have any opening statement, but I do welcome Admiral Crowe. I will have some questions when we get into the hearing.

Chairman NUNN. The prepared statement submitted by Senator Dixon will be entered into the record at this point.

[The statement of Senator Alan J. Dixon follows:]

PREPARED STATEMENT BY SENATOR ALAN J. DIXON

Mr. Chairman, today we will discuss the President's nomination to reappoint Adm. William J. Crowe, Jr., as Chairman of the Joint Chiefs of Staff, to complete a second 2-year term.

Admiral Crowe was appointed the 11th Chairman of the Joint Chiefs in 1985. He has done an excellent job in this position. I will join my colleagues in supporting the reappointment of Admiral Crowe.

[The nomination reference of Admiral William J. Crowe, Jr. follows:]

NOMINATION REFERENCE

AS IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
September 18, 1987.

Ordered, that the following nomination be referred to the Committee on Armed Services:

The following named officer for reappointment as Chairman of the Joint Chiefs of Staff under Title 10, United States Code, section 152.

Adm. William J. Crowe, Jr., United States Navy, to be Chairman of the Joint Chiefs of Staff.

[The biographical sketch of Admiral William J. Crowe, Jr., which was transmitted at the time the nomination was referred follows:]

BIOGRAPHICAL SKETCH OF ADM. WILLIAM J. CROWE, JR.

Admiral William J. Crowe, Jr., was appointed the eleventh Chairman of the Joint Chiefs of Staff, Department of Defense, by President Ronald Reagan on October 1, 1985. In this capacity, he serves as the senior military advisor to the President, the Secretary of Defense and the National Security Council. Admiral Crowe served as Commander in Chief, U.S. Pacific Command, prior to his current appointment.

Born on January 2, 1925, in La Grange, Kentucky, Admiral Crowe moved to Oklahoma City, Oklahoma, at the age of five and grew up there. He attended Classen High School and the University of Oklahoma for one year. He graduated from the United States Naval Academy in 1946 with the Class of 1947. His further academic achievements include a Master of Arts in Education from Stanford University and a Ph.D. in Politics from Princeton.

His initial sea tour was aboard USS CARMICK (DMS-33), followed in June 1948 by studies at the Naval Submarine School, New London, Connecticut. He qualified in submarines on 31 March 1950 in the submarine USS FLYING FISH (SS-29), then served as Flag Lieutenant and Aide to the Commander, Submarine Force, U.S. Atlantic Fleet. He was assigned to the submarine USS CLAMAGORE (SS-343) from 1952-1954 and as Assistant to the Naval Aide to the President of the United States from 1954-1955. He served as Executive Officer of the submarine USS WAHOO (SS-565) in Honolulu, Hawaii, and Commanding Officer of the submarine USS TROUT (SS-566) in Charleston, South Carolina, prior to assignment as Commander, Submarine Division THIRTY-ONE in San Diego, California.

Significant shore assignments, prior to attaining Flag rank, include: Aide to the Deputy Chief of Naval Operations (Plans and Policy); Director of East Asia and Pacific Branch, Politico-Military Division, Office of the Chief of Naval Operations; Senior U.S. adviser to the Vietnamese Riverine Force, Republic of Vietnam; and Director of the Office for Micronesian Status Negotiations, Department of the Interior.

After promotion to Rear Admiral in June 1974, he reported as Deputy Director, Strategic Plans, Policy, Nuclear Systems and National Security Affairs Division, Office of the Chief of Naval Operations. From January 1975 to June 1976, he served as Director, East Asia and Pacific Region, Office of the Assistant Secretary of Defense (International Security Affairs). On 30 June 1976, he assumed duties as Commander, Middle East Force, a command based in Bahrain in the Persian Gulf, which he held until July 1977. In August 1977, as a Vice Admiral, he was assigned as Deputy Chief of Naval Operations (Plans, Policy and Operations), as well as Senior U.S. Military Representative to the United Nations. Admiral Crowe's promotion to Admiral was approved by the Senate on 28 March 1980. He became the Commander in Chief, Allied Forces Southern Europe on 30 May 1980. He assumed the additional responsibility as Commander in Chief of U.S. Naval Forces Europe on 1 January 1983. Admiral Crowe became Commander in Chief, U.S. Pacific Command on 1 July 1983.

Admiral Crowe is married to the former Shirley Grennell of Okeene, Oklahoma. They have three children: Blake, Brent and Bambi. Their son, Blake, is a lieutenant in the U.S. Marine Corps.

Chairman NUNN. Thank you.

Admiral, we would be delighted to hear from you

**STATEMENT OF ADM. WILLIAM J. CROWE, JR., FOR
REAPPOINTMENT AS CHAIRMAN OF THE JOINT CHIEFS OF STAFF**

Admiral CROWE. Thank you, Mr. Chairman.

I do have a very short opening statement, sir.

I am honored that President Reagan has asked me to serve a second term as Chairman of the Joint Chiefs of Staff.

The responsibilities of this office are very demanding on any incumbent, which I have discovered and to which the bags under my eyes testify.

Over the last 2 years, however, I have been privileged to serve in a superb military establishment. I am constantly impressed by the dedication, the skill and the enthusiasm of the men and women serving in our armed forces. They remind me that great nations produce first and foremost great people.

As principal military advisor to the Secretary of Defense, the National Security Council, and the President, I am blessed with a very able Vice Chairman, a good organization, a talented staff, and first rate support from the Joint Chiefs of Staff.

For this I am grateful not only to the framers of the Goldwater-Nichols Act, but also the many civilian and military leaders who helped to facilitate and ease the implementation process.

At this juncture, I also must report that the strategic direction of the U.S. Armed Forces continues to be a very challenging process for all concerned. Essentially, we are trying to develop a more forward-looking and fully integrated military strategy, maintain the deterrent capabilities of our combatant commands, realign our forces as required by potential breakthroughs on the arms control front, and work within a defense budget which refuses to settle down at any level of spending.

Seldom has it been more difficult to plan ahead.

In this fluid situation, I have no blinding insights on how to reduce risks to our national security at less cost to the U.S. taxpayer except to continue to increase efficiency and productivity.

However, I do renew a pledge made 2 years ago, that I will work closely and candidly with this committee and with civilian and military leadership of the executive branch in securing the defense of our Nation. As always, Mr. Chairman, I highly value your advice and counsel and that of the other members of this committee.

That completes my statement, Mr. Chairman. I will be happy to address questions.

Chairman NUNN. Thank you very much, Admiral.

The first question I would like to pose is one this committee worked long and hard on, and that is the Defense Reorganization Act, which became known as the Goldwater-Nichols Act.

You are the first Chairman to assume that additional authority and responsibility under that bill, the first Chairman to have a Vice Chairman serving under you, the first unified commander—that means commander of our fighting forces out in the field—to come forward and directly go from that position to Chairman of the Joint Chiefs of Staff.

So you have a unique perspective over fighting forces in the field, command of those forces, and also a unique perspective of having served as Chairman of the Joint Chiefs under the Defense Reorganization bill.

Would you give us your appraisal of that legislation and how it is working now.

Admiral CROWE. Mr. Chairman, as we complete the first year under the new reorganization, it is my personal judgment that we are doing rather well.

I must tell you, in all candor, that the transition has been easier and quicker and more expeditious than I anticipated it would be last year at this time. I say this in all genuineness.

We have, first and foremost, I believe, building on both the Goldwater-Nichols bill and the Packard Commission report, created a new sense of jointness, not only in the Joint Staff and in Washington, but I believe throughout the military services. This is imperative to do before we can successfully carry out the schemes that were set out in those two reports, the Goldwater-Nichols report and also the Packard Commission recommendations.

I see this in many ways. It manifests itself in the ease with which we are getting our business done. It manifests itself in the requests to come to the Joint Staff or to the Unified Command staffs for duty, as I had it expressed to me by many people as I traveled throughout our military around the world.

We have now created, or at least I should say that we are on the way to creating, what I believe is an extremely healthy institutional climate. As I have said, I see it in many ways.

I might just mention some of what I believe are the most important things that we have done in the last year in this regard.

Of course, early in the year, actually before Goldwater-Nichols became legislation, we were able to re-do JCS PUB 2, which is our command and control, our warfighting publication, the basic fundamental publication that has to do with our organization. Since the legislation has passed, we have made sure that JCS PUB 2 accords exactly with the legislation.

As a result of those changes, as a result of implementing the Goldwater-Nichols bill, we now have Unified Commanders with more flexibility as to how they are to command various events, various crises, how they are to manage things, than they have had before and with more authority. I think we have brought accountability and responsibility more into line with their authority and with the resources than they have been in my 40 years of experience in the military.

We have also commenced the very complicated process of redoing our war plans business. We have created a base case of war plans for all the Unified Commanders, and this allows us a sort of basic building block for a new approach to building war strategy.

In strategy and in contingency planning, we have met your mandate to come out with a military strategy built on a rather solid six-step process of building a national strategy. In the process, we have done two things that had not been done in the past. We have done a military strategy with some fiscal constraints this year, and we have also completed, for the first time in the history of the JCS, a net assessment.

In my opinion, these are quantum steps forward.

I should also tell you, though, Mr. Chairman, that this process is a long one, and it will be a number of years before we are doing it in the way we want to do it and before we will see the complete results of these fundamental changes.

The net assessment business alone is extremely complicated. It requires in-depth expertise and a wide data base, which we do not, as yet, have. This can only come with experience and with time.

The net assessment which I submitted to you this morning is an extremely important step; but it is not where we want to be as yet.

You will note, as you read that net assessment, that, first of all, as is obvious in all such efforts, we know a great deal more about ourselves than we know about our potential adversary. Consequently, there is a strong tendency to overestimate his capability and to underestimate our own.

There are a number of factors that we do not document or that we cannot quantify well, which we must flesh out for the future and which we must work very hard to do a better job.

We have discovered, as we draw on the entire resources of all the military—and I am talking about our war colleges, war gaming exercises, et cetera, that to compare those various events and to make judgments on the balance drawing from that evidence is extremely difficult because each starts from a different set of assumptions or a different base point.

In the coming months, I would hope that we would be able to arrive at some common assumptions, some common departure points, that would make those kinds of things much more comparable and much more fruitful to include in our net assessment.

This can only come with time.

The strategy and the planning, according to your legislation—and I thought it was well founded—should form the basis for our fiscal efforts. We have not, as yet, because of time, been able to dovetail the strategic planning process in with the PPBS, the budget and acquisition process, as well as we must. This, frankly, has to do with the difference in the cycle times.

We are going to adjust that in the next 18 months so that we can go right from our war plans and our strategy process into requirements and then into acquisition and our contribution to the OSD acquisition process.

Chairman NUNN. So, would it be fair to conclude that for a number of years, the planning and budgeting in the Department of Defense and the strategy have not been completely in synch?

Admiral CROWE. Absolutely true. And we are not there yet, Mr. Chairman.

This will take quite some time. But we are, first of all, aware of it. Second, we are carrying out the spirit of what you want. Third, we are going to do it.

Now, to say how we have profited from that would be premature because, until that process is done, I don't know how we could make a really definitive judgment.

I personally am very encouraged, and I am optimistic about what we are doing, and that we will ultimately see very beneficial results.

One of the parts of this is that we are now doing analysis in the Joint Staff on discreet subjects that, hopefully, will permit us to make judgments between service budgets. This is big stuff. This is new.

This is also controversial.

Chairman NUNN. I was going to say that the word "discreet" covers a multitude of other adjectives that could be applicable, does it not?

Admiral CROWE. Well, for the first time, the Joint Staff is involved in that.

Let me also be candid: we are walking tenderly in that area. But we are doing it.

That may be, in retrospect, 10 years from today, the most important single change envisioned by the Goldwater-Nichols bill and the Packard Commission efforts. That is a tough job, Mr. Chairman. I can testify to that from personal experience.

We have, of course, integrated the war plans in much better fashion this year. We have not only carried out your mandate as to reorganization, we have also made some organizational changes within the Joint Staff, which I think will facilitate our business and carry out better the spirit of what you had in mind.

We have created a new command and control shop, J-6, a new interoperability shop, J-7, and we have completely beefed up the old SPRAA organization, and turned it into J-8, which is now Structure, Resources, and Assessments. They do our net assessment, for example.

This is without any increase in manpower on the Joint Staff. It is just a rearrangement.

I have high hopes for that, and certainly the evidence thus far would confirm that.

I cannot tell you how grateful I am to you for the Vice Chairman. Frankly, I think, irrespective of the testimony you received last year, on the basis of the last 6 months' experience, you would find very few dissenters with that view over in the Pentagon.

Again, that is a personal observation. I may be wrong.

I want to say, once again, that this will take time. Until we have completed an entire planning cycle, until we have had an opportunity to digest the lessons learned from that, to refine them, and then factor them into the next planning cycle, we will not have a really good judgment on everything we are doing.

Let me just mention one problem with which you are familiar, the joint personnel system. That has turned out to be a very complicated process.

We have come back to you with some changes that we desire to be made. But I want to stress that, irrespective of whether those changes are accepted or adopted by the Congress, we are carrying this out in good spirit, and as rapidly as we can, and we are marching forward.

We have made some very tough decisions on that. Again, that is one of the major challenges that lies still ahead of us, and that is to institute an effective, joint personnel management system.

On top of that is the revamping of our professional-military education system. We have not exactly met the deadline that you have asked for.

I convened a group last year, headed by General Dougherty, to study our military education system. That group has reported back to us. We are in the process now of trying to determine which of its recommendations are practical and acceptable and to institute these throughout the military and to build a military educational system that will, first of all, support the joint personnel system, and, second, will create a conducive environment to increase jointness.

There are infinite views, when you get into the military education business. To reconcile all the different views, different suggestions, and different recommendations has proven quite complex. I think it will be another year or two before we have revamped the curricula and determined exactly how we want the system to be supportive of these things.

We are working very hard on it, though.

Chairman NUNN. Admiral, let me just interject right here, on the personnel management end of the Defense reorganization bill. My understanding is that there were 13 recommendations that you all sent over for changes in the Goldwater-Nichols bill. Of those, the Senate has just passed an amendment on the pending Department of Defense authorization bill that is on the floor now. We passed, as you requested, five of those; we modified slightly six of the recommendations, and two of them we did not act on.

Admiral CROWE. I am aware of that, sir, yes.

Chairman NUNN. So, out of the 13, we acted on 11 of them. Of course, the House may have a different perspective, and we will have to meet that challenge when we get to conference.

Admiral CROWE. I am very grateful for that, Mr. Chairman. I hope it will ultimately prevail.

But I repeat, with or without those changes, we are marching forward and we are going to do what you want. We have the cooperation of all the services, and we have the enthusiastic support of all the Chiefs.

One other thing to which I would look in the future would be this. You mandated us to do more supervision, more oversight of the defense agencies. In the heat of reorganization this year, we have changed procedures and systems and so forth, but we have not, as yet, gotten into that subject as deeply as we must. I would anticipate that, in the next few months, that will be a top priority item with the Chiefs.

I would see a continuing problem with the strategic formulation process, and particularly the net assessment. As I have said, we have done the first one, but there is a long way to go. We must refine; we must flesh out; we must improve. We must continually emphasize that, and we will do that.

Those are the main challenges that I see in the future months to carry out the mandate which you have given us.

Chairman NUNN. Thank you very much, Admiral. I think my time has expired on this particular round. We will be keeping the clock.

Senator Exon.

Senator EXON. Thank you very much, Mr. Chairman.

Admiral Crowe, welcome to you again. As far as this Senator is concerned, you have done an outstanding job and I am delighted that the President has nominated you for another term. You will have my enthusiastic support.

Admiral CROWE. Thank you, sir.

Senator EXON. I especially thank you for the openness you have given to this committee as we have worked together on the national security interests of the United States.

My first question is this.

We passed an amendment yesterday that had universal support, which asked the Navy to furnish us a report on where their planning is at this juncture, with regard to a follow-on for the Trident submarine. The motivation was that if we are successful in some arms reductions with the Soviet Union, we should at least be thinking about a smaller submarine missile launching platform than the Trident.

Do you think it is a good idea that we begin studying this now? Has the Navy, already begun such a study?

Admiral CROWE. No. 1, Senator, I think it is a good idea. I would encourage and support any effort in that regard.

No. 2, I think considerable thought has been put into some various alternatives, but I am not so sure it has been done in a rigorous, organized fashion. I think a study of that nature is very definitely in order, particularly at this juncture in the arms reduction dialogue.

Senator EXON. Thank you.

The Trident boats in production are on schedule, as I understand it. Is that true?

What about the other shipbuilding programs that you might like to talk about?

How is the Navy construction program going generally?

Are things going well? Do you see any serious problems relating to the Navy components of our strategic deterrent that we should know about as of this moment?

Admiral CROWE. You are talking in terms of building, in terms of planning, and new equipment?

Senator EXON. Yes—building, planning, equipment. That is my area.

Admiral CROWE. Senator, I am extremely impressed with the progress that we made in the last 4 to 5 years, and I think in large part as a result of the pressure and the attention that Secretary Lehman paid to the contracting process, et cetera.

But it is my understanding now that we are not only making shipbuilding deadlines, but we are exceeding them in many cases; that we are doing it below cost; and that we are very satisfied with their quality.

Now, in the vernacular, that is not my bag, particularly. There are problems, I am convinced, but I am not so sure that they are serious.

I would like to take your general question, though, on the problem areas for the record, if I could, and come back to you if I see any really detailed problems.

But in my experience in the Navy, we are better off now than perhaps at any time that I can remember.

Senator EXON. That was my impression. I am glad you said that because I think we need some assurances, from time to time, with all the negatives that we hear about defense procurement.

The bad news has a way of getting out; sometimes that good news does not.

Admiral CROWE. Senator, I could not stress that too much. I read so much that is negative in the newspaper about the armed services. And yet, every day, as I travel around this country, I see

amazing things going on in the armed services in a positive fashion.

I go to commands; I meet people; I see equipment and training and attitudes that are just fantastic. But they do not seem to have a way of making it into the media.

Senator EXON. Admiral, I know you walk the fine line from time to time between the military operations and policy. You are not generally a policymaker, but we know that you are asked from time to time by the policymakers, including the President, as to your direction and recommendations.

In that regard, in this room, in closed session, within a few days or weeks at least after the announcement that we were going to flag Kuwaiti oil tankers, we looked into that to a considerable extent. There were some questions that I had at that time about why were we not more successful in having the Saudis and the Kuwaitis come forward in more earnest than they have with landing rights for our helicopters and other support that would be necessary to provide protection for the fleet carrying out that highly dangerous mission.

Also this Senator asked what we are going to do about the mine threat. The mine threat was very definitely played down at that time. It turned out to be a rather serious matter later on.

Is it fair to say that we underestimated the mine threat when we first assumed the obligation of escorting tankers?

That is question No. 1.

Question No. 2 is were you consulted by the President or the administration as to the military capability of the United States in carrying out the President's decision to flag the Kuwaiti tankers?

Admiral CROWE. If I could reverse my answers, Senator, and take your second question first, yes, we were consulted.

We had given some considerable thought to the threat and the way we should deal with it, et cetera.

I testified before you in both open and closed session, and I addressed the mine threat. But, in regard to your first question, I think it is fair to say, eminently fair to say, that we made a number of underestimates.

Obviously, we did not want the Bridgeton to happen. I would not do what we did, the way we did it, if I had to do it over again.

In the areas between the translation of getting ready to do something and actually doing it, we underestimated two or three areas. We did not fully appreciate the problems of dovetailing military with commercial interests.

Incidentally, I have looked into it since then, and that is a historical problem when you commence convoying.

Second, we probably overrated our intelligence somewhat.

Third—and this was a personal problem—I did not realize the difficulty we would have in keeping our operational details out of the press. We have subsequently wrestled, grappled, and groped with that problem, with mixed success and mixed failure.

All of these bear on the mine problem.

I guess the real answer is yes, sir, we made some mistakes. If I had it to do over again, I would not do it that way. There were some extenuating circumstances, but I would prefer to talk about those, if you want to in detail, in closed session.

Senator EXON. My time is up. But what about the question of how are we proceeding at the present time? Have the Saudi and Kuwaiti Governments ever indicated to us that if we need landing rights on their soil, they would grant them? Or is that still up in the air?

Admiral CROWE. Well, if I could, I would talk generally about that subject.

I notice that Secretary Weinberger made a statement in the gulf just the other day when he was there that the less we talk about it, the more we seem to get. He was talking about discussions in public.

We have made considerable progress in getting help from our friends, not only in the region, but, of course, our European friends.

I am encouraged. At this point, I am rather satisfied with what we are doing, and I would be happy to be more candid with you in a closed session.

They are very tender on publicity.

Senator EXON. I understand.

Thank you, Admiral.

Thank you, Mr. Chairman.

Chairman NUNN. Senator Warner.

Senator WARNER. Thank you, Mr. Chairman.

Mr. Chairman, I would ask that the committee digress for a moment to pay our respects and recognize a visitor that we have who has joined us here in the United States today, Mr. Ian Stewart, the Minister of State for the Armed Forces of the United Kingdom.

Mr. Stewart, if you would rise, we would thank you.

Chairman NUNN. Mr. Stewart, we are delighted to have you here.

We have just heard from the Admiral about the increased cooperation we are getting from our allies in the Persian Gulf, and, of course, the British are always there when the time comes for allies to be of assistance.

We are always grateful for the dedicated assistance we get from your country.

We are glad to have you here.

Senator WARNER. Mr. Chairman, it is at an appropriate moment that you mention that because elements of the Royal Navy this morning, units of the Royal Navy, helped in minesweeping in the gulf area.

It is interesting that the Minister at one time served as an officer aboard a minesweeper in the Persian Gulf and has a particular knowledge about that subject. We are very grateful.

Admiral CROWE. We need all the minesweeping knowledge that we can get, Mr. Minister.

Senator WARNER. The chairman has indicated that I can proceed. I think, Admiral, that it is important that the elements of our allied navies are now joining us in the gulf in direct response to requests from President Reagan.

While there may be a formalized operating procedure, sailors have an ability, when together in a geographic area, working

toward common goals, of being able to carry out their mission without a lot of formal relationships.

Am I not correct?

Admiral CROWE. Yes, sir. You are.

Senator WARNER. We will not need to go into further detail on that.

Admiral CROWE. We are very proud of that. We think it works very well.

But politicians often want to know what we are doing.

Senator WARNER. I understand.

There are a great many geopolitical considerations which act as constraints on the operating forces, not only of the United States, but of those of our allies, and indeed the ever-growing contribution, shall we say informal contribution, by the Gulf States.

As you know, I have taken the position on the floor in connection with the War Powers Act that in my judgment we would be ill-advised in trying to invoke that act at this particular, critical time, when we are making progress in the international fora of the world, primarily the United Nations Security Council, in terms of the number of allies who are contributing to the military requirements to have a more peaceful gulf. The U.S. Navy—and I am sure we have covered this in this hearing—did a superb, professional job in seizing that ship, such that the world had uncontrovertible evidence of the intentions of Iran to disrupt international shipping with mines.

I say, as a former sailor myself, "well done" to you, sir, and to the men and women under your command.

Admiral CROWE. Thank you, sir.

Senator WARNER. It was really an Army-Navy game, in many respects, that was carried off.

Admiral CROWE. It was a joint operation, sir.

Senator WARNER. It was a joint operation.

I shall not dwell any more on the issue of the War Powers Act at this hearing because I think this is a political issue, one on which I suppose the Admiral has some views.

But it is not necessary for you to convey them, sir.

You have my support for another term. I wish you well and I look forward to working with you.

Admiral CROWE. Thank you, sir.

Chairman NUNN. Thank you, Senator Warner.

Senator Shelby, I believe you are next.

Senator SHELBY. Thank you, Mr. Chairman.

Admiral Crowe, you certainly have my support, too.

As the Chairman of the Joint Chiefs of Staff, you have been aware of the Toshiba-Kongsberg affair and the problems with COCOM, and the transferring of the milling technology, have you not?

Admiral CROWE. Yes, sir—generally, yes.

Senator SHELBY. What effect did this have on our national security, the ability of the Soviet Union to receive milling equipment through Toshiba and Kongsberg to make the quiet propellers for themselves?

Admiral CROWE. A definitive answer to your question, Senator, would probably require a little more technical experience and

knowledge than I have. But, from my own submarine experience, I can say with some confidence that, first of all, it will be a while before we can really assess it, because the kinds of developments that you are talking about have a long-term life.

But the potential for real harm is great, very great, particularly in the contest, the ever-going contest between submarines and the antisubmarine people; and propeller design, noise, emanated noise, are crucial in that contest.

Senator SHELBY. What role should DOD, the Department of Defense, have in the review of export license applications? I know I have talked about it last week, and there have been some things that hit the front pages of the papers and the television screens in the last several days regarding one of our mainline computer manufacturers selling, again, through the Commerce Department's approval, mainframe computers to Soviet-owned companies around the world, without DOD approval.

Now, as I understand it, the administration is going to let DOD look at these licenses, at what they are going to export.

Do you believe that DOD should have a say-so in what is exported to the socialist and Communist countries, as far as high technology is concerned?

Admiral CROWE. Senator, I am well aware that rather clever arguments in the commercial and economic worlds can be made and all kinds of things can be proved, with income, with exports, and so forth. My view is a rather simple and conventional one, one that I hold very strongly. It is that one of the most important things this country is doing is protecting and defending itself and that anything that jeopardizes that is an issue of the gravest sort, and the Defense Department should have a strong voice, at least in the deliberations, as to what to do and not to do.

Senator SHELBY. I share those feelings.

Admiral CROWE. I cannot see anything that would make me change that opinion.

Senator SHELBY. Are you familiar with the COCOM multilateral export agreements?

Admiral CROWE. Yes, sir, in a general way, though. I am not an authority by any means.

Senator SHELBY. So you don't know if they have worked, or if they should be strengthened?

Admiral CROWE. Well, obviously we have many examples of where they did not work.

Senator SHELBY. And should be strengthened?

Admiral CROWE. Yes. I would support that wholeheartedly.

Senator SHELBY. What do you perceive to be the basic effect of the proposed INF Treaty with the Soviet Union regarding the missiles in Europe?

Senator Nunn, our chairman, raised the question earlier in the hearing regarding the impact the treaty will have, on the imbalance in conventional weapons. Will this aggravate it?

Admiral CROWE. Let me say two or three things, Senator.

First of all, we are engaged, of course, in negotiations right now in Geneva. As to specifics, and so forth, I am afraid that I am extremely limited as to what I can say about U.S. positions on particular items or issues.

I would be happy to discuss this in more detail in a closed session.

On the other hand, obviously this is the grist of the Chiefs' business, and we have looked at this, we have been a prime player in this process from the outset. We have spent a great deal of our time looking at various proposals and testing them in terms of national security, and so on.

The chairman referred to this earlier. Irrespective of INF agreements and so forth, I would like to make it clear that the Chiefs do not believe the balance today is red hot. We don't like the balance today, and we would like to see improvements in it.

I am not talking about just the U.S.-Soviet balance. I am talking about a NATO-Warsaw Pact balance.

Many people that are commenting on the INF proposals start from the assumption that security today is assured and that everything is wonderful. I do not subscribe to that.

We need less risk today. We need better balance today before we do anything.

Now, as regards the INF proposals, it has been a consistent theme of the Joint Chiefs of Staff, and certainly one of my personal, strongly held views, that we cannot afford to look at arms reductions as a money saving exercise. If we do that, we are missing the point.

Frankly, I do not know of any really meaningful arms control proposals that, if adopted, are going to result in saving money.

Senator SHELBY. Admiral, along those lines, actually if we beef up and our NATO allies beef up our conventional weapons to where we would be so-called on a par with the Warsaw Pact, it is going to cost billions and billions of dollars?

Admiral CROWE. That's right.

Senator SHELBY. And it is going to shock a lot of people.

Admiral CROWE. I do not foresee that being in the cards at this time.

Senator SHELBY. You don't see what in the cards?

Admiral CROWE. That we will match the Soviets conventionally, or that NATO will.

Senator SHELBY. Do you believe NATO, after the removal of the missiles, will beef up their conventional weapons to a great extent, looking at their budgets?

Admiral CROWE. Please, Senator, let me talk about that just a little more.

I think, first of all, we should understand that the INF proposals do not eliminate nuclear weapons, and that we plan—when I say "we," I am talking about the United States as well as the NATO machinery—we plan to maintain our current strategy of flexible response. We think we can implement it, et cetera.

On the other hand, the Chiefs have looked at the INF proposals very carefully, and I think the balance, from a military perspective, will not be hurt. Certainly it will be every bit as good as it is now, and perhaps better after the INF proposals are implemented.

But to talk about that in any detail, I would like to go into closed session.

At the same time, I think it is imperative that we recognize that after a major step like that—and I believe that does a lot for us,

not only militarily, but politically, et cetera—but irrespective of that, after a major step, such as implementing the INF proposal, you are reorienting your forces, to a certain extent. We will be putting our money on other kinds of weapons, and they must be modernized and improved and emphasized.

The Chiefs will be making proposals and suggestions like that.

There is some sympathy for that in Europe. I have just come from a NATO fall tour, where I had the opportunity to consult with every one of my opposite numbers in NATO. They do not foresee any vast expenditure on conventional forces after the INF agreement. On the other hand, they feel that the climate is good for modernization of the remaining nuclear systems, and the high level group in NATO is addressing that today, and with some seriousness. That is very much in order, in my opinion.

Senator SHELBY. Are the French included in any of this?

Admiral CROWE. No, they are not. I do not believe they are. If I am wrong, I will let you know.

Chairman NUNN. They have their own modernization program going on.

Admiral CROWE. That's right, and their own view of this process.

Senator SHELBY. My time is up.

Thank you, Admiral.

Thank you, Mr. Chairman.

Chairman NUNN. Thank you, Senator Shelby.

Senator Glenn.

Senator GLENN. Thank you, Mr. Chairman.

I find it difficult to believe, Admiral, that you have already been in the job for 2 years.

Admiral CROWE. So do I, Senator, but the time has passed.

Senator GLENN. When they said that you were coming up here for reappointment, I thought there must be some mistake on the slip of paper. Time certainly has gone fast, I won't say, though, that you are "having fun."

Admiral CROWE. It's never dull.

Senator GLENN. Let me ask you a couple of questions about the gulf.

I am clear on the on-scene commander's discretion, as far as firing or not firing if he is under threat. But at some level it would seem to me that you have reserved to the JCS or to the people back here the right to go into a heavier combat-type situation.

Can you give us any information on what that level is?

Admiral CROWE. Well, without getting too specific about the ROE, they, of course, permit the commander on the scene in general to declare either hostile intent or an act hostile, and to act in regard to that in self defense.

The other night, mine laying was declared a hostile act, and those forces responded, in turn, to that decision.

Any further decisions in terms of retaliation, to go further, would not be connected with a specific hostile act or a specific event on the scene, would have to be referred back.

Senator GLENN. Retaliatory acts against others would have to be referred back to you?

Admiral CROWE. Yes, sir. Absolutely.

Senator GLENN. What kind of assessments have we made about how long we can sustain operations in the gulf at the present level?

Are we prepared to do that on an indefinite basis? Let's say this war goes on for another 7 years. Are we prepared to sustain our level of activity there for another 7 years, if necessary?

Admiral CROWE. Well, we are groping right now as to what the actual long-term level of forces should be. There are some uncertainties in it, not the least of which is the extent of foreign participation and the amount of coordination that we will be able to generate.

Senator Warner referred to this, to what people on the scene can do. He referred to the fact that today the British forces are off Dubai, mine-hunting.

As those forces arrive in the area and as they pick up various responsibilities, and we see what those are and the amount of coordination that we will be permitted, that, in turn, will impact on our decision on forces.

We are looking at ways now to draw down our forces to a more reasonable level. But, yes, we are prepared to sustain this effort.

Senator GLENN. It has seemed to me that Iran is the most economically and militarily vulnerable nation in the world. This is looking at it from the Iranian side. This is because their whole total economic picture flows through Kharg Island. We have talked about this before.

The Iraqis seem to be very hesitant about plowing in there and really taking that out, which I am sure would be our objective, if we were in their shoes.

Are we advising the Iraqis?

Are they consulting with us or are we giving them any advice on how we think the war should be prosecuted? Are they taking our advice?

Admiral CROWE. Well, the simplistic answer is no. But I would prefer to talk about those things in closed session.

Senator GLENN. OK.

When this whole thing started, I was hesitant about the reflagging. I thought that was the wrong way to go. It tied us too closely to one nation, to the exclusion of other nations over there.

We now have a proposal being made in the Congress to deflag as well as to stop the convoying.

Now my view is that we should be able to convoy any nation we want—Singapore, Japan, maybe on occasion even Kuwait. I don't know. But we should be able to do whatever escorting we want to do, but not be tied to one nation.

So I am of a slightly mixed mind on some of this.

Would you care to comment in open session on your view of what would happen if we deflagged and prohibited the convoying?

Admiral CROWE. Well, Senator, it seems, first of all, that there is no way that we can completely ignore history, and I mean recent history as well as longer history. We are flagging now, and whether or not someone might disagree with that, the fact is that we have made that decision and are doing it. To withdraw, in my judgment, would be a terrible error, an admission of incapability, et cetera.

I just think that would be a genuine and bona fide mistake. I don't see what it would gain, unless you want us to withdraw our presence altogether from the Persian Gulf.

Senator GLENN. Our problem here is how to get the administration to live up to what we see as the law, and that is the War Powers Act.

Admiral CROWE. I understand.

Senator GLENN. Now we may disagree on how far the War Powers Act should go and whether it is constitutional or not. But I could say, for instance, that I don't think the Income Tax Law is constitutional and could refuse to pay it, but I would not get very far with that.

War Powers is the law of the land and has been since 1973, and it is our view that if there ever were a classic situation regarding the War Powers Act, this is it. The President has refused to report to us, so what is being considered here now is a way to force that reporting, even by a diminished method and a more narrowed consideration of the War Powers Act.

The courts, of course, will consider this in due time. But by the time that happens, the gulf war may be history.

I know that the administration has refused to report and just says that the War Powers Act is unconstitutional. We disagree strongly with that here, certainly until the Supreme Court has had a chance to rule on it.

But short of a War Powers report being sent up by the President, I think you are going to see more actions by the Congress to try to force the issue.

As you know from our previous conversations, I strongly support our actions in the gulf.

But, at the same time, the law is the law, and I think the President should report to us.

Where a quarter to a third of the world's oil supply comes out of there every day, that is important enough. Ours is an industrialized world dependent on petroleum and we cannot go back to wood burning or coal burning. Even more important is the fact that 70 percent of the world's oil reserves are there.

So we are going to be dependent on keeping a strong presence there and making sure that an ayatollah or a commissar does not control the gulf. It is that important to us.

I support a strong presence in the gulf. At the same time, I think the administration ought very definitely to send up a report under War Powers because they cannot say that hostilities are still imminent. They have already occurred.

Of course, that is more a statement than a question. My time is already up.

Admiral CROWE. Senator, without getting into the problem between the administration and the Congress on the legalities, because I do not feel competent to judge that, I would like to say that from the perspective of the military and those people engaged on the scene and doing our mission and carrying out what we have been assigned to do, I would hate to see this contest in any way buttress Iranian determination unnecessarily or erode our own people's faith that they are going to be there or that they are being committed seriously, or in any way erode our allies' determination.

They have come there, largely at our request, although they say politically they have not. But when I was in the NATO fall tour, it was said to me time and again by people from those countries that they would not be coming there if the United States had not made a positive decision to commit itself in the gulf.

Now, we have done that. We have received some support from a number of European countries that are deploying. I don't know what their reaction would be to this debate, but I would hate to see it take any kind of turn that would allow them to say well, I think I had better go home.

Senator GLENN. My time is up. Thank you, Admiral.

Chairman NUNN. Admiral, I can appreciate that position. I really believe if the President of the United States, supported by the military leaders and the Department of Defense and the State Department, came up and made a case for the continuation of reflagging and a continuation of the escort mission, that Congress would affirmatively approve that.

The effort is not being made necessarily to deflag or to prevent escorting. The effort is being made to try to carry out the Constitution of the United States.

Admiral CROWE. I understand.

Chairman NUNN. The Constitution, as you well know, says that the Congress shall declare war. The War Powers Act flowed after Vietnam.

Now I think there are a lot of loopholes in the War Powers Act. I think it needs to be revisited. But even if you wiped out the War Powers Act, Congress clearly has the power of the purse.

At some point, the Department of Defense has to come up here and ask for the money for the operations in the Persian Gulf.

Is that not correct?

Admiral CROWE. Oh, absolutely. You are above my pay grade here, Senator, and very quickly so.

I would hate to see the War Powers Act in any way, by anybody, executive or Congress, interpreted in a fashion that confines or constrains our freedom to act on the seas around the world. It has been a platform of United States policy, foreign policy, now for two centuries. It is one of our great strengths, our mobility and our flexibility at sea.

I would hate to see anything, if that, in fact, is what would happen, that would restrict our mobility and flexibility and would restrict the use of the seas to carry out the rights that we have every day.

Chairman NUNN. Well, if Congress decides and asks the President to delay reflagging and the President decides not to delay reflagging and goes right ahead with it, and we get our military forces deployed—and I think most people support a deployment of forces in the gulf—and Congress still believes in the Constitution of the United States and the law of the land, do you have any advice for how we can express our view, other than either through War Powers or the power of the purse?

Admiral CROWE. No, sir. I don't have any advice on that matter. [General laughter.]

Chairman NUNN. Well, it is a dilemma. It is a terrible dilemma. It is a dilemma in an age of terrorism, in an age of nuclear weapons. How do you carry out the constitutional intent?

Once forces are deployed, everybody wants to support them. A case in mind is Lebanon.

I felt we made a very serious error deploying in Lebanon. But also, I thought the way we got out of there was a very serious error.

Everything you have said about what the allies would think and the message being sent if we were to stop flagging vessels seems to be applied even more vividly in Lebanon, where we put marines and urged the French, the British, and the Italians to join us. Well, they did join us.

We took a very severe blow. It was a terrible tragedy. Then we abandoned our position after declaring Lebanon itself in our vital interest.

I guess my question to you is what would be the difference between those two cases.

Admiral CROWE. Well, abandonment of the gulf today would, I think, have severe repercussions among our allies.

Chairman NUNN. Well, nobody is advocating that. I am talking about deflagging.

Admiral CROWE. Well, it is a speculative question.

Chairman NUNN. Well, the question I guess I am asking is wouldn't everything adverse that you have said about deflagging not apply even more so to our getting out of Lebanon the way we did?

Admiral CROWE. Well, I believe deflagging would be interpreted among our friends and allies as much as leaving would. But that is just my opinion.

Chairman NUNN. Admiral, getting back to your particular expertise, when do you think we will have a request for funding for the Persian Gulf operation?

When will the internal reshuffling of funding get to the point where the Department of Defense will have to ask for money?

Admiral CROWE. I think they are waiting to see what is in the authorization right now, Mr. Chairman. We are working those figures, though.

Chairman NUNN. Do you know now how much the additional increment of escorting and the additional force levels relating to flagging has cost?

Has anybody put any pencil to paper on how much the cost of that is?

Admiral CROWE. I think it runs about \$20 million a month.

Chairman NUNN. About \$20 million a month?

Admiral CROWE. [Nods affirmatively.]

Chairman NUNN. And that is being taken out of operation and maintenance funds?

Admiral CROWE. Yes.

Chairman NUNN. How long can that go on without impacting the other forces?

Admiral CROWE. I don't know the specific answer to your question, Mr. Chairman. I would be glad to submit it for the record.

Chairman NUNN. Would you submit that for the record, the cost and where the money is coming from, and also at what point you anticipate we will have a request from the administration for the funding of that operation?

Admiral CROWE. All right, sir.

[The information follows:]

PERSIAN GULF OPERATIONAL COSTS

The Department of Defense estimates the fourth quarter fiscal year 1987 incremental cost of the Middle East Force will approach \$70 million. Estimates for fiscal year 1988 costs are expected to range between \$15 to \$20 million per month at current levels of operations. These costs are being absorbed by reductions in non-deployed ship steaming hours, deferral of parts procurement and deferral of maintenance of ships, equipment and facilities. Supplemental requirements would be determined after fiscal year 1988 congressional action on the DOD budget.

Chairman NUNN. I am afraid this whole debate is going to spill over. It seems to me that the whole thing can be avoided by the administration having enough confidence in their case to simply come up and say here is our case and we would like to get your approval.

Having been against the reflagging to begin with, I have a different perspective now that we are there. You make valid points. Once you are there and committed, you have a different stake. You raise the stakes, and the country has a different interest.

But I just do not see how we can ignore the Constitution of the United States and the law. If so, where do you stop ignoring it?

Admiral CROWE. I subscribe to the Constitution, Mr. Chairman. But I think so does the executive branch. So you have a problem.

Chairman NUNN. We do. It is not an easy problem.

I think we are going to have to rethink the whole War Powers Act.

I really don't believe that the way we have the War Powers Act set up now is in our best interest because, in effect, once you deploy forces, you place in the hands of your adversary the triggering of that act.

Admiral CROWE. I find that very worrisome, sir.

Chairman NUNN. So, the Iranians can mine in the Persian Gulf, and if the law is followed, in my view, in good spirit—which it has not been, but if it were—it would trigger a debate in this country, and that would be in the hands of your adversary.

It is a very difficult area.

Let me shift to another area that we probably could get an answer to this morning.

There has been some criticism in the media, particularly I believe, by the former Secretary of the Navy who wrote an article about the command structure in the Persian Gulf, and said that the command arrangements were not satisfactory in the Persian Gulf and that they were very cumbersome. I believe he also indicated that it was brought about by the Goldwater-Nichols reorganization bill of last year.

Having been part of that effort—and I know Senator Goldwater would share this if he were here—exactly the opposite was the intent of that act. We were trying to give the Joint Chiefs of Staff and particularly you, as Chairman, and the Secretary of Defense

the authority to cut through organizational layers and to shorten the chain of command, so that there would be less layers between command authorities and operating forces.

Would you comment for us this morning about those allegations, indeed whether we do have organizational problems in the gulf and whether the military command authority that you have is sufficient to allow you to take the steps that make sense for our country?

Admiral CROWE. I take vigorous exception with the Secretary's judgment on that issue, Mr. Chairman.

I think that the Goldwater-Nichols legislation, along with JCS PUB 2, has given the flexibility to the CINCs that they have never had before to shorten the chain of command and to make it more efficient, depending on the circumstances of whatever they are dealing with.

That is exactly what happened in the gulf. We have the shortest chain of command there today that we have had in any major crisis I have been associated with.

It has worked very well. It would not have worked under the old system.

I just do not quite know where that statement comes from or why it was made.

We can document that.

Chairman NUNN. You have a shorter chain of command there?

Admiral CROWE. Yes, absolutely. It goes directly from the Secretary of Defense to the CINCCENT, to the Joint Task Force commander.

Chairman NUNN. Let's take it step by step.

The Secretary of Defense, of course, is at the top of the chain of command, under the President.

Now, in terms of getting down to the fighting forces in the gulf, would you walk us slowly through that chain of command as it now exists.

Admiral CROWE. It runs directly from the Secretary of Defense to General Crist, who is the CENTCOM Commander.

Chairman NUNN. CENTCOM stands for what?

Admiral CROWE. Central Command.

Chairman NUNN. I know that, of course, but there may be people in the audience who do not.

Admiral CROWE. That CENTCOM area of responsibility includes a number of Middle East countries, with which you are familiar. But in this case it includes the littoral of the gulf and the gulf, the Persian Gulf, the Arabian Gulf.

In the early days, before we had our current arrangement, General Crist chose, and that is his alternative under Goldwater-Nichols, to deal directly with the subordinate commander of the Middle East Force, who is in the gulf all the time and is running the escort and convoy operation.

When we transformed that into a Joint Task Force, the Middle East Force fell under the Joint Task Force, and CENTCOM goes directly to the Joint Task Force.

Chairman NUNN. Is that Joint Task Force multi-service?

Admiral CROWE. Yes, it is.

Chairman NUNN. Does that include the Navy, Air Force, and other assets?

Admiral CROWE. Yes, it does. It also includes some area outside of the gulf, the Arabian Gulf, which day to day is in CINCPAC's area.

So we have a Joint Task Force Commander.

Chairman NUNN. It cuts across two commands.

Admiral CROWE. That's correct.

Chairman NUNN. And it includes all the services?

Admiral CROWE. Yes, sir.

Chairman NUNN. Now what happened to the Middle East Commander and his role?

Admiral CROWE. He is one of the elements in the Joint Task Force Command.

Chairman NUNN. So he was consumed as part of that Task Force?

Admiral CROWE. Yes.

However, as a practical matter, his operation has not changed a bit.

Chairman NUNN. Now you are talking about going from the Secretary of Defense to the head of Central Command to the head of the Joint Task Force, and the Joint Task Force is in charge of the fighting forces there.

Admiral CROWE. That's right.

Chairman NUNN. That commander can make decisions to respond, for instance, to the mining incident that occurred the other day—he can make that decision?

Admiral CROWE. Yes.

It just so happens that that night, General Crist was there with the joint Task Force Commander. He happened to be visiting in the area. They were both on board the Long Beach that night.

Chairman NUNN. Did they have to get back to the Secretary of Defense in order to take the step they did, or did they have the authority to do it?

Admiral CROWE. Well, the main decision to attack on the mining was made by the Middle East Force within the gulf, because it was within his guidance.

Chairman NUNN. Now that is below the Task Force level.

Admiral CROWE. Yes.

Chairman NUNN. So he was able to do that without going back to the Task Force level.

Admiral CROWE. [Nods affirmatively.]

Chairman NUNN. I assume communications being as fast as they are that they did have communications, did they not, with General Crist?

Admiral CROWE. [Nods affirmatively.]

Chairman NUNN. So, in making that decision to attack the Iranian mine laying ship, the Middle East Task Force had the authority to do it?

Admiral CROWE. Well, below him, the Middle East Force Commander had the authority.

Chairman NUNN. The Middle East Force Commander did.

Admiral CROWE. Essentially the convoy commander, the commander of the convoy operation.

Chairman NUNN. As a practical matter, did he go back up the chain of command before he took action—

Admiral CROWE. No, he did not.

Chairman NUNN [continuing]. Or did he just take action?

Admiral CROWE. He engaged.

Chairman NUNN. And then he informed after he had engaged?

Admiral CROWE. Yes, sir.

Chairman NUNN. Would you distinguish that for us so that we can get an idea of the difference between that and what the command structure was regarding our forces that were in Lebanon, the Marine detachment in Lebanon?

Admiral CROWE. In Lebanon, as I understand it—and I was a part of that command setup for just a few months, before I left the Mediterranean, when I was CINCUSNAVEUR—it ran in the traditional way, from the Secretary of Defense to the U.S. CINCEUR, who is the Unified Commander in the European Theater; from him to CINCUSNAVEUR, who is his naval component commander; from him to Commander, Sixth Fleet, who is the Navy commander in the Mediterranean of the fleet; and from Sixth Fleet to CTF-61, who was the Commander, U.S. Forces Lebanon.

That is a pretty long command chain.

Chairman NUNN. I have two charts here. We asked your advisor to send over these charts.

I would just hold them up for you. I know you probably cannot see them from here, but just looking at the blocks, what we had in Lebanon was five blocks to get down to the fighting force, as I count it, five layers.

Here you have three layers.

Admiral CROWE. That is essentially correct.

Chairman NUNN. So you essentially have cut out two layers based on the reorganization authority.

Admiral CROWE. That's right.

Now please bear in mind that that decision was made by CINC-CENT himself to do this, and he has that authority.

Chairman NUNN. But that is the additional authority that was given to the CINC's—

Admiral CROWE. To the Unified Commanders.

Chairman NUNN [continuing]. To the commanders-in-chief in the field, the battle commanders?

Admiral CROWE. Yes, sir. That's correct.

Chairman NUNN. So, anyone who has said that we have a longer, more cumbersome chain of command, would not only be wrong, but it would be just the opposite of what is really the case.

Admiral CROWE. That is my view. Yes, sir.

This is a tremendous change, Mr. Chairman.

Chairman NUNN. I recognize that and I agree with you completely. But I think the record should reflect that.

Admiral CROWE. And a healthy one.

Chairman NUNN. It is a big change. We have given the combatant commanders more authority out in the field, correct?

Admiral CROWE. To tailor what he is doing to the circumstances of a particular crisis, event, or otherwise.

Chairman NUNN. He could have set up a more cumbersome chain if he had chosen to do so.

Admiral CROWE. If he had chosen to do so, right.

Chairman NUNN. Thank you.

Senator EXON.

Senator EXON. Mr. Chairman, thank you very much. I am going to try to be very brief.

Admiral, I do not think this is classified information in the general sense, but to put a perspective on this, how many men and women do we have committed and operational in the immediate area of the gulf and adjacent waters of the Indian Ocean, as of now? How many ships and about how many planes and helicopters?

That is not classified, is it?

Admiral CROWE. Not the general figures, Senator.

I think we have some specifics here which I can give you for the record, if you would like. But my last memory of this was that in the gulf itself we have in the neighborhood of 3,500 people.

We have about 10 ships now with some patrol boats and some small mine sweepers.

Outside the gulf, we now have about in the neighborhood of 20 ships. We have two task groups operating today outside the gulf, one a carrier battle group and one a battleship battle group.

I think that number runs probably in the neighborhood of 15,000.

Senator EXON. Fifteen thousand?

Admiral CROWE. Yes.

Senator EXON. Oh, those are the general parameters that I wanted to get into.

I just want to make a little editorial comment. You don't have to respond here.

All during this consideration that we have had and the difficulties that we have had, the press has developed an attitude of "us against them," the Congress against the President.

That simply is not the case, and I would like to try to straighten that out this morning, if I can.

The enactment of the War Powers Act indeed was not even started by a Democrat. It was started by a Republican United States Senator who was very much concerned about the activities and the failure of the United States Senate to discharge its responsibilities.

I think any reasonable person would have to agree, after listening to your testimony now about the number of forces that we have there, that we are engaged in very warlike activities, protective as they are.

I think it is a violation of the Constitution of the United States for any President of the United States to so commit such forces of the United States without the approval of at least the leadership of the Congress of the United States.

That is where I come down very hard on this.

I echo the sentiments that have been expressed here, and I suspect, Mr. Chairman, it is almost unanimous on the Armed Services Committee that we approve of the action that is being taken there. But we have not had the right or the chance to approve it.

There is some talk about the War Powers Act being unconstitutional. If that is unconstitutional, in my view, the actions of the President of the United States has also been unconstitutional.

We are involved in a war or something very close to it over there, and I cannot understand yet how rational people can think that is not the case.

I would simply say that I think most of us on the Armed Services Committee, and certainly this Senator, would vote today to sustain basically the activities that are going on there now.

But I heard on the radio coming to work this morning once again the national news media indicating that the Congress of the United States, by trying to implement the War Powers Act or some part of it, is threatening to withdraw the forces that we have there now.

I think probably that is not the case with the vast majority of the Members of the United States Senate, and I hesitate to add possibly including the Members of the House of Representatives.

We are still a nation of laws. We are still a nation of the Constitution. And I believe that not only do we have a right, but, more important, an obligation to uphold the oath of office that we took here, which I think we are not doing by simply sitting by. Some would like us to do, and say well, go ahead, Mr. President, we are not going to approve or disapprove of your action.

If it works out, that we won't say anything, and if something disastrous happens, we can always say that it was not of our doing.

We are not being involved, and I think we have not only the obligation, but more importantly the responsibility to do so.

That is my editorial comment for the day. I had to make it after listening to what has been going on here.

In any event, I simply say that I think you are doing an excellent job. I think that the Chairman of the Joint Chiefs has a tremendously impossible task from the standpoint of carrying out your mission.

Admiral CROWE. At times I agree with that, Senator. [General laughter.]

Senator EXON. But still you want it for another 2 years. You will certainly have the active support of this Senator, and I congratulate you, Admiral, on the truly outstanding job that I think you have done.

Admiral CROWE. Thank you, Senator.

Senator EXON. I have no further questions, Mr. Chairman.

Admiral CROWE. Senator, could I put my figures in context a little bit?

Before this crisis, it was quite common to have five to seven ships in the gulf and a carrier battle group outside the gulf, even in a much less intense environment than we have today.

Senator EXON. Yes, but you would not want to say that before the present activities in the gulf that they were under the threat that they are under today?

Admiral CROWE. No, that is not what I am trying to say. I am just trying to get you the numbers.

I did not want to convey the impression that all those numbers that I quoted were just an expansion.

Senator EXON. I understand.

Chairman NUNN. Senator Glenn.

Senator GLENN. Thank you, Mr. Chairman.

Perhaps we are beating War Powers to death, but I think if you go back in history, there were proposals for a War Powers Act before World War II.

A fellow in the House, I think named Ludlow, proposed some things back in those days.

When we finally passed the War Powers Act, it tried to redress a gap.

The Constitution says that the President will be the Commander-in-Chief. That gives him the power to commit forces, if need be. But it also says, at the same time, that only Congress can declare war, and of course Congress has the power of the purse and can either support the President's actions or not.

Back in the days of sailing ships there may have been enough time to consider these things and work something out. But now we are in a time period where you can commit enormous forces, in just hours. So we are left with not wanting to repeat the Vietnam experience where, gradually, over a period of time, Congress was not cut into the act.

And so, over a lengthy period of time, the American people came gradually to oppose the war. Congress cut the funds and we had an ignominious retreat out of Vietnam.

With that history, some of us are very concerned about this.

I think if the President would just shape up and report, I think he would get support in the Congress and the United States would be on a much stronger footing for doing whatever has to be done in the gulf.

This, to me, is what is important here. I think as long as we bicker over this matter, it is going to indicate to our allies that we might have less support than we really have, because I think the Congress would vote to support him.

Admiral CROWE. I would echo that.

Senator GLENN. I would like to see us go forward with a unified position, where the President has submitted a report and there is not any doubt about the situation being one that triggers that law. He reports to us, and we back him up. We would have a debate on it, of course, and there would be some people here who would want to completely withdraw from the gulf. But I am not one of those.

I will repeat again that I want to strengthen our position.

Then I think he would go forward on a much more sound footing than he has right now, with this thing of up in the air.

I do not expect your comment on that. That is just my view on this.

The allies are now getting involved in the gulf, but they are not in a command structure with us. But what can you tell us in open session about the level of cooperation and tailoring of one operation to another, and who is doing what?

Is it virtually a unified command now as far as de facto operations go?

Admiral CROWE. No, sir. We are not to that point.

Yesterday was a very encouraging development from my perspective, to see the British come into the gulf with their mine hunters and to commence operations off Dubai. But we exchange information and we communicate. But as yet Italian units are not in there,

or Belgian or Dutch. I think it is just premature to foresee exactly how that arrangement is going to shake out.

Senator GLENN. Let me switch direction here and ask you something in a different area.

I head the Manpower Subcommittee and I have been concerned, in looking at the Reserve Forces and the Guard Forces at the percent of our combat load that they would be required to take if we really went into an all-out war. This is very critical.

Shy Meyer, former Army Chief, expressed publicly some doubts about whether we might have gone too far in assigning missions to the Guard and Reserve.

We have noted some deficiencies in Guard and Reserve as far as certain MOSs go that would be critical. They would be close to being war-stoppers, if we really got into an all-out war.

We have talked to the Reserve people about correcting those things, and we have had some discussion with you and your people, of course.

Do you think we have gone about as far as we can go in assigning things to the Guard and Reserve? Should we even be pulling some of those functions back into the regular establishment?

Admiral CROWE. I certainly think we should not go any further until we have done two things. Number one is to look at it more critically. No. 2—and this is one of the ways you look at it critically—is to make sure that they can do the functions they are presently assigned before we go assigning any more.

There are obviously some areas in which our Reserve Forces are not as capable or as competent as we would prefer, and those are being addressed with some urgency.

But to go further at this juncture I think would be a mistake.

Senator GLENN. We are watching this very carefully, and unless some of these things can be redressed, we won't have any option, really—where some of the deficiencies are now, such as in the medical establishment. Unless those can be redressed in a reasonable time period, I don't think we have any option but to go back and reassess our overall end strengths in the regular establishment and maybe reassign some of those things.

I do not want to do that, but I also do not think that we can go any further here.

Admiral CROWE. I am hoping that the Joint Staff, as a result of some of the changes we have made in the ways we are doing our business, will be able to help a little better in the next 2 years.

Senator GLENN. In your net assessment, you talk about the No. 1 priority in the strategic area being modernization, and then in conventional that the No. 1 priority is to maintain the qualitative edge on the field of battle.

How much of that qualitative edge is in training and how much of it is in getting new equipment?

We find cutbacks and stretchouts in the conventional area that are making the per unit costs just skyrocket. You just cannot turn production on programs like this on and off without adding to the cost of the individual unit that you are buying.

Is this qualitative edge that you are talking about dependent on getting these new weapon systems out there, or is there a training problem? Is it a combination of both?

Admiral CROWE. I think it is both, Senator.

One of the problems with our analysis is that it is much easier to quantify equipment comparisons—fire rates, et cetera—than it is to quantify training. On the other hand, every time we engage, every time we are in hostilities, it is the training that comes out the most graphically to make the difference.

Now I think that was very well illustrated in the Falklands war. When I had my first opportunity to sample British opinion, from people who had actually been there after the Falklands war, the British Marines said the No. 1—the No. 1—advantage that they enjoyed, the No. 1 advantage in the Falklands action was physical conditioning.

They did not talk about rates of fire or anything else.

Senator GLENN. My time is up, but I have just one further comment.

I have been very concerned since I got to the Senate a number of years ago that we too often do our defense budgeting on what I call the Time Magazine approach to things. We show the Soviets have so many bombers, we have so many bombers; we are behind; we need more bombers.

Well, if you are in a combat situation, that may not be applicable at all because what you are talking about is offenses versus defenses, both ways.

Bombers don't go out and attack bombers and defend against other bombers.

We tend to think we are behind when we compare unit per unit. What we ought to be comparing is our offensive capability against their defenses and how we maximize that, and vice versa.

We never present the defense budget that way. Every year, we go through the comparison where they have so many tanks, so we need so many. We don't compare offenses and defenses.

I would hope that when we are preparing next year's budget, maybe we could get around to presenting more of that.

Admiral CROWE. This is what I really was speaking to when I said, in answer to the chairman's first question, that integrating or dovetailing our strategic efforts with the budget efforts is a tough organizational problem. We are addressing it.

The net assessment, which we submitted today, is sort of a first, fledgling effort to get at what you are talking about.

Chairman NUNN. It's the first net assessment this committee has had other than the book, "Red Storm Rising," as far as I know. [General laughter.]

Senator GLENN. Or "Red October." [General laughter.]

Thank you, Mr. Chairman.

My time is up.

Chairman NUNN. Thank you, Senator Glenn.

Admiral, I have just a couple of more questions.

Senator GLENN. If I might say, Admiral, you have my wholehearted support. You are doing a good job. There isn't any doubt about it.

Admiral CROWE. Thank you, Senator.

Chairman NUNN. After the Reykjavik Summit last year, President Reagan asked the Joint Chiefs of Staff to prepare a study of the

military consequences of the proposal he had made at that summit conference to eliminate all ballistic missiles.

As you know, many of us in Congress had and still have a great deal of interest in that subject.

Have you completed that study?

Admiral CROWE. Yes, we did, sir.

Chairman NUNN. Has that been submitted to the President?

Admiral CROWE. Yes, it has.

Chairman NUNN. Could you submit to us a copy of that?

Admiral CROWE. Well, I would urge you to go to the White House, Mr. Chairman. I was asked that question on the House side.

Chairman NUNN. Do you mean we can't get to study the—

Admiral CROWE. I didn't say you can't get the study. It's just not in my control.

Chairman NUNN. Is that different from other documents, and if so, what—

Admiral CROWE. It was at the President's specific request.

Chairman NUNN. So you consider that in a different category?

Admiral CROWE. Yes, I do. Yes.

Chairman NUNN. Well, suppose we just ask you this morning to send us a study on the same subject, because we did ask that last year.

Admiral CROWE. All right, sir. Are you requesting that?

Chairman NUNN. Yes, sir.

Admiral CROWE. All right, sir.

Chairman NUNN. We'd like your study. If you think you need to do a new one, fine. If you think you just need to change the cover sheet, that will be fine, too.

Admiral CROWE. Well, that study was done at the specific request of the President, and I consider it his property.

Chairman NUNN. Well, we in the Congress have a right to ask you for that kind of study, clearly, and we would like for you to give us your assessment and the Chiefs' assessment of the proposal to go to zero ballistic missiles.

Admiral CROWE. All right, sir. I'll be back to you on that, if I could, sir.

Chairman NUNN. Thank you.

On another subject, Admiral, the Special Operation Forces reorganization, that is something that is going to draw a lot more attention here in the next few weeks, I believe.

We saw a letter that Assistant Secretary Latham sent to Deputy Secretary Taft, and he said about the Special Operation Forces reorganization, quoting him, "Implementation has not only been slow, but almost nonexistent."

We also have had a similar view expressed by the Pentagon Special Operation Policy Advisory Group.

Can you tell us at this point in time what is happening in that area, what your views are?

Admiral CROWE. I don't know what they were referring to exactly. If they were referring to the political side of the reorganization of SOF, that may be one thing. If they were referring to what we have done in the services, they are wrong. The statement is incorrect, or at least it is in my judgment.

Chairman NUNN. When you say the political side of the Special Operations Forces, what do you mean?

Admiral CROWE. Well, we are setting up an Assistant Secretary of Defense's office.

Chairman NUNN. Civilian people?

Admiral CROWE. Yes, sir.

In fact, I think a nomination for that office is in front of your committee now.

But in our area, down in the JCS, we have created the new command, the SOCOM, the Special Operations Command. It is in business. It has a Washington cell, headed by a brigadier general in the Army.

We are off and running.

I think not only am I extremely pleased, but I believe General Lindsay would say that he is in a position now to do exactly what he is supposed to do to carry out the spirit of the legislation, and that it is going very well.

Chairman NUNN. Well, we will be getting into it further as we go along.

I know that Senator Cohen has a great deal of interest in it, and there is considerable frustration in this committee about the overall subject, perhaps even more so on the House side.

It is going to be, I am sure, something that we will deal with in conference.

Admiral CROWE. General Lindsay had some problems, of course, which he is trying to work his way over and around. But that is inevitable in a new command that has been set up. I don't think they are insoluble or serious.

As a matter of fact, I think he is sort of surprised at the handle he has on it and that they are doing as well as they are.

Chairman NUNN. From a military point of view, you are satisfied with the way things now are in terms of military reorganization of the Special Operations?

Admiral CROWE. As far as the reorganizational problem.

Now, obviously, from my perspective, the number one item in the Special Forces business is the funding for Special Forces Airlift. That is our number one deficiency. We have submitted a plan which I think has been accepted by the Congress and approved by your committee. But to fund that plan has run into some problems, and it will probably be stretched out.

But we are working on solving it. How long we will take to solve it is another matter.

Chairman NUNN. You have already alluded to it on another subject, but I would like to get a little more detailed answer about what you are doing differently now in your capacity as Chairman relating to the strategy of the military—a very important subject to this committee—and particularly whether you are preparing or are in the process of preparing a fiscally constrained strategy?

Admiral CROWE. Yes, sir, we have done that this year. It's part of the overall national strategy process, which was laid out by the Packard Commission.

A very important part of that was a military strategy section, which fits into our Joint Strategic Planning Document. As I said in my previous answer, it had two elements that are completely new.

One is the fiscally constrained options, and the other was the net assessment.

Chairman NUNN. Is that in the group of papers that you delivered this morning?

Admiral CROWE. No, sir.

All that is in there is the net assessment.

Chairman NUNN. Have we received anything on the strategy or the fiscally constrained strategy?

Admiral CROWE. I don't believe you have.

I think it is still in the Office of the Secretary of Defense. It goes into a bunch of other papers.

We have submitted it, and I don't think it has gone out of the Secretary's office—I don't think he has approved it yet.

Chairman NUNN. Once it is approved under standard procedures, would you submit that to us?

Admiral CROWE. Yes, sir.

[The information follows:]

The Joint Strategic Planning Document, fiscal year 1990-1997 (JSPD fiscal year 1990-97) was submitted to the Secretary of Defense on 7 August and contained the recommendation of the Joint Chiefs of Staff for a fiscally constrained national military strategy and the force capabilities necessary to execute the strategy. The JCS recommendations are contained in an appendix to the JSPD fiscal year 1990-97 entitled the National Military Strategy Document. When the Secretary of Defense completes his review, the National Military Strategy Document will be forwarded to the President for his review and approval. The recommended strategy will be incorporated into the *Defense Guidance*, fiscal year 1990-1994.

Chairman NUNN. Senator Warner.

Senator WARNER. Thank you, Mr. Chairman.

Thank you, Admiral.

Again, I am working with the chairman on the floor and, therefore, I could not be present for much of this hearing this morning.

Earlier, I indicated to you, in the presence of the British Deputy Minister of Defense, the important contribution by our allied nations in the gulf, and the particular sensitivity, in the judgment of this Senator, of the issue of invoking the War Powers at this time.

Now, the act sets forth two criteria. The Senate, or the Congress, can act to bring about the War Powers Act, or, indeed, the President can trigger it with a report.

No president, since 1973, has ever formally abided by, or acted consistent with the War Powers Act.

That is uncontrovertible.

The reason is that there is a serious question as to whether or not the War Powers Act is a constitutional piece of legislation.

It is the view of the executive branch—and, again, of every president, Democrat and Republican—that this particular law is ill-advised, is unconstitutional, and is an infringement upon those powers given by the Founding Fathers in the Constitution to the President.

So much for that.

My question to you is not whether or not we should do it. I will continue to oppose it, as I have these past few weeks.

But, in the event the Senate were to adopt, say, the pending amendment, which is a combination of an amendment by the Senators from Connecticut and Oregon and an amendment by the Senator from West Virginia—the pending amendment, the second

degree amendment which goes to just the reflagging element. I will come back momentarily to that technical aspect.

In the event the Senate were to adopt it, would that not send a signal to our allied navies—Great Britain, France, Italy, The Netherlands—who have come forth in a response to a request from our President to assist in the gulf area? Would that not send a signal to them that now the President of the United States is acting under questioned authority?

The Congress, under the War Powers Act, could, after a period of deliberation—and that period could be anywhere from, tonight, which is the first opportunity for a continuation, or it could be taken up as a free-standing amendment in a few days' time, or if the amendment were put on the Defense authorization bill it formally would not come up until after this piece of legislation became law.

I see a period beginning tonight through maybe 3 or 4 months in which there is uncertainty as to whether or not the President has the authority to use the armed forces of the United States to implement our policy in the gulf.

Now, specifically the question. Once the Senate adopts the amendment, even though it has not become law, it does send a signal, in my judgment, to the allied armed forces participating in the gulf that the Congress may strike the authority of the President to implement part or all of the forces in trying to seek a limitation of that conflict, in trying to protect freedom of navigation, in trying ultimately to bring about peace in the region.

Progress is being made by the diplomats in the United Nations, particularly in the Security Council. Progress has been made by the allies joining the United States.

We stood alone when you were in that chair some months ago, defending the President's decision to implement the forces of this Nation. But now our forces have been joined by our allies.

When you were in that chair some months ago on this policy, there was uncertainty about the participation of the Gulf States, the six nations, five of which are quite small and Saudi Arabia, as to their participation.

Without going into the details, in many respects that situation has improved.

So I see the convergence of many forces now working toward the curtailment of the military operations and possibly bringing about peace in that region.

The question again is this: If the Senate were to adopt the Byrd amendment, what would be the impact on the military commanders operating in the gulf?

What would be the impact on the young men, and in some instances the young women, not only of our Armed Forces but the armed forces of the nations that have responded to the President's call? What would be, in your judgment, the impact?

Admiral CROWE. Well, we discussed it a little earlier, Senator, and I expressed the view, without making any judgment on the legal and political ramifications, that anything that suggested to our own people—I'm talking about from a military perspective—anything that suggested to our own people that our commitment was not staunch, that it may not be a long-term or until we

achieved our objectives, runs the risk of eroding their confidence in what they are doing, et cetera, much as you described it.

I would hope that in passing such legislation, this is taken fully into account.

It also runs the risk, which I said earlier, of stiffening Iranian resolve and determination, which, conceivably, can risk American lives out in the gulf. From my standpoint, I would hate to see that happen, as well as the impacting on the confidence of our allies, many of whom have come there at our behest.

I think that is correct.

I would suspect that a decision, a limited decision, to discontinue reflagging would be interpreted much the same way, even though it was not meant the same way.

I fully understand that these decisions are in a broader context than those matters, and that there are other issues at stake here. But, from my standpoint as a military commander, well, not as a commander, but as the Chairman, that is worrisome to me, very worrisome.

Senator WARNER. The Members of the Senate who have raised this issue have done so for legitimate reasons——

Admiral CROWE. I understand.

Senator WARNER [continuing]. Namely that it is the law of the land. We are confronted with a dilemma.

Now I am all for examining the War Powers Act at some point in time, to determine its constitutionality or lack thereof, either in the courts or, indeed, in the Congress itself.

But somehow the criticality of the situation over there now, the progress toward peace, seems to me to indicate that this is not an opportune time, and what you have said confirms that.

One followup.

Earlier in your career, you were the commander of our naval forces in the Middle East, and our forces have been there now for some 40 years. In that capacity, you were able to learn a good deal about the Gulf States and the geopolitical considerations in that region.

When the leadership of the Senate asked Senator Glenn, a member of this committee, and me to go to that region and to consult with the leaders of the Gulf States, we came back with the clear impression that the reflagging issue was sort of a litmus test of the credibility of the United States of America.

Once the President had made that decision; others and I supported it. Although it has been questioned each time the Senate has come up to the brink, the Senate has supported the President in that decision.

My question to you is what would be the impact on the credibility of the United States with those specific Gulf States, all of whom are looking down the barrel, by virtue of the short distance between Iran and where they are located?

Admiral CROWE. Well, No. 1, I think that the term "litmus test" is an excellent analogy. That is exactly the way they looked at it.

I was just in the gulf a week ago, last weekend, and the commander of the Middle East Force told me that he is hearing more pro-American sentiments expressed right now and more encouraging comments and is received better than at any time since he has

been the commander of the Middle East Force; and that some of the things that we had hoped would transpire, vis-a-vis our friends in that region, are working.

We are achieving our objectives in a gradual way. We are not where we want to be in any sense of the word. But the kinds of things that we hoped this would bring about are afoot, and they are working.

To be candid, to withdraw, in my view, would be a very, very serious mistake at this juncture.

Senator WARNER. And that applies equally to the reflagging issue?

Admiral CROWE. I would think so, because that is the way it will be interpreted.

Senator WARNER. The present posture that you have just described, of these nations now beginning to be more supportive and have more faith and confidence in the United States, is against a background where that credibility was seriously undermined—

Admiral CROWE. Absolutely.

Senator WARNER [continuing]. As a consequence of the events in Lebanon, as a consequence of the events of the Ayatollah seizing our diplomatic corps in Tehran and locking them up. We were virtually helpless, although President Carter, I think, in a very bold decision, tried to initiate a military operation to rescue them. But that fell apart not because of policy but largely because of mechanical breakdown.

I remember the hearings in this committee and I, myself, spent a great deal of time looking into that situation.

But, nevertheless, it is against that background that our credibility is being repaired, and we are succeeding in-repairing that credibility in the region.

That is correct, is it not?

Admiral CROWE. In my view, it is.

On the other hand, I would be the first to warn you that some things may happen on the horizon that we don't like.

Senator WARNER. That you have made clear many times that you have testified.

Admiral CROWE. I have not changed my judgment that once we committed our forces to this mission, we may very well suffer casualties.

Senator WARNER. You have made clear that this is not a risk-free operation.

Chairman NUNN. At this point, if the Senator would yield just briefly, at the stage that we do get into real difficulty over there, how important is it that the Congress and the American people be behind our military people?

Admiral CROWE. Very important.

Of course, as a military man, that is always a heavy consideration, Mr. Chairman.

Chairman NUNN. How is it that we expect the Congress to be behind it when the Congress is being told now that if we even have a debate on it, which Senator Warner has said very clearly this morning and you have agreed with it, even a debate on whether to go forward with the flagging or not fails all the litmus tests and disturbs our allies and sends the wrong signals to our fighting

people. How is it that anyone expects the Congress, being deprived, if we follow the Warner theory, of the right of debate and the right of even passing something affirmatively, which I believe Senator Glenn, myself, and others have indicated we would in all likelihood vote for, that we are then expected, in a very enthusiastic way, to support the situation that we have been deprived of even having a voice in?

Admiral CROWE. Well, I would be the first to say that there are other broad issues at stake here, Senator. I understand that.

I am just saying that from my perspective as a military man, now that we are committed, how the military man on the scene looks at it, how I look at it as the Chairman, what I want is to make sure that everybody involved in this debate takes that into account when he makes his own personal decision.

That does not mean my considerations are more important than everybody else's.

Chairman NUNN. Wouldn't the best of all worlds for our forces out there be a debate that ended up giving the President the authority to carry on, as he has desired?

Admiral CROWE. The best of all worlds is that we all agree on what we are doing, Mr. Chairman. But I have participated in very few things in the last 2 years where everybody in Washington agreed on it.

Chairman NUNN. Well, how does Congress speak if Congress is told that even a debate on the subject, let alone a vote, is extremely detrimental to our posture?

How can Congress get behind this?

Senator WARNER. Admiral, at this point, I am going to retake the questioning and say to my good friend that there has been no effort to cut off the debate. There has been no effort to cut off the expression of the Congress on these issues.

As a fact of the matter, it was addressed three times in the June-July framework. Although I strongly opposed bringing up the War Powers Act at that time, there was more than adequate opportunity, and the debate did take place on the floor. I prevailed through procedural avenues to foreclose any opportunity to bring up the War Powers Act.

Just 6 days ago, the Senate debated the War Powers Act, and my good friend joined me in turning back an effort to invoke it by a vote of 50 Senators to 41 who wanted to bring it up.

So this institution, the Senate of the United States, has consistently had the opportunity, exercised that opportunity, and has been supportive of the President in terms of its votes.

Chairman NUNN. Why is the Senator afraid of another vote, then?

Senator WARNER. I am not afraid of another vote, and you know full well that we are working toward that solution here right now.

Chairman NUNN. Well, I think we could get the Defense bill passed really quickly if we could come to a vote on that this week. If the Senator makes such a strong case on the floor, I will probably end up voting with him.

Where the Senator and I disagree, though—

Senator WARNER. Just stop right now. I will take that vote with me. [General laughter.]

Chairman NUNN. Where my good friend and I disagree is I think the Congress and the American people have a right to express themselves, and if we do not express the intent of the Congress before we get into difficulties, what we have is a very long, erosive situation that existed, for instance, in Vietnam.

Senator WARNER. I will conclude this and then I will want one other question, Mr. Chairman.

Chairman NUNN. It's your time.

Senator WARNER. The Congress did have an opportunity, certainly the Senate, last week, when they voted 50 to 41 not to invoke the War Powers Act.

What happened in the interim to revisit this issue was a very professional, if not heroic, event, when our Navy went out and seized the raw evidence, the irrefutable evidence that clearly indicates Iran is in that area for the purpose of interfering with freedom of passage by placing mines to cause harm to others. It may well be to U.S. service persons.

Chairman NUNN. Would the Senator yield briefly?

Senator WARNER. Yes.

Chairman NUNN. I think the Senator would join me in saying that was a hostile act, would he not?

Senator WARNER. Indeed, hostilities were there, and you and I have discussed that.

Chairman NUNN. Does the Senator believe that once hostilities have occurred, they are no longer imminent?

Senator WARNER. Senator, we have to take each case and every day.

Chairman NUNN. The Admiral has testified here this morning that a hostile act was committed. Of course, some of us have a hard time just looking the other way and looking over our shoulder and saying don't worry about the law, don't worry about the Constitution, just forget about all of that because we might fail the Middle East litmus test.

At some point you have to pass the litmus test here at home on whether you are going to abide by the law of the land.

Now I have to say to my friend from Virginia that we all need to take another look at that War Powers Act.

Senator WARNER. Surely.

Chairman NUNN. Once troops are committed, once forces are committed by the President, even against Congress, as the Senator will recall, saying, Mr. President, wait—we asked him to wait. We said please don't reflag. We expressed that several times in Senate resolutions. But he went right ahead. He committed the forces against the pleas of Congress. And once they are committed, we get all the arguments that we get here this morning, very well made by Admiral Crowe.

If I could just ask the Admiral one question: Admiral, can you visualize any situation where American forces are committed in a dangerous situation where it would not be detrimental for Congress to pull them back, from a military perspective?

Admiral CROWE. I assume that I could put together a hypothetical situation, and I probably would have to work pretty hard on one.

Chairman NUNN. Yes. It would be awfully hard for you, from a military point of view, to believe that we would ever, once the President had committed forces in a certain area and hostilities were imminent or hostilities had occurred, for the United States Congress to then say to the President, wait a minute, Mr. President, we don't think we ought to be involved in this particular area of the world at this time; we are afraid it is not in our national security interest.

Would that not always be failing the litmus test?

Admiral CROWE. Well, I don't know that it would always be. It would depend on the political situation and whether it was a one-time event, an affair, or some similar situation.

Chairman NUNN. Now you are a historian. Can you think of any time in history where Congress had pulled back after the President had committed, if you were the Commander-in-Chief of the forces at that time, felt it would not be detrimental from your perspective?

Admiral CROWE. Well, I can see where if you were engaged in an event where allies retreated, for example, and we were hung out on a limb and it was not wise to be there; I can see in that situation where the military might agree with pulling back.

Chairman NUNN. Well, I think so, too. But I don't think at that time you would want Congress to do it unilaterally. You would give your private advice, and then when you came up to testify, you would salute and say the Commander-in-Chief should not in any way be contradicted by Congress, wouldn't you?

Admiral CROWE. But I find that hypothetical—the statement I would really agree with, Mr. Chairman, is the one you just made, and that is that we should take a very serious look at the War Powers Act and the way it is structured, the way it is implemented, and take into account these realities which you are talking about right now.

Chairman NUNN. Oh, I think we have to.

We have to fall back, then, though.

Let's say we abolish the War Powers Act.

Now I might vote to abolish it because I think the way, for instance, this dialogue this morning has unfolded, I think the Senator from Virginia makes good points and you make good points, and I certainly am not in opposition to all those points. I think there are some dangers.

But I believe that this dialogue pretty much indicates that, whatever the situation, any time anyone tries to trigger the War Powers Act, where force is deployed, our American fighting people are bravely carrying out that task, you are going to have exactly the same argument.

I don't think there is ever going to be a situation where these arguments won't lie.

That means this. Let's assume that we agree, the Senator from Virginia and I, and we stood up and abolished the War Powers Act. The question is where are we then?

We are right back on the power of the purse. The power of the purse is such that you cannot stop a war until it is a long way down the road because there is so much money that can be reprogrammed and reshuffled.

I would assume that probably the Pentagon could fight a pretty sustained engagement for a good many days over in the Middle East without ever coming back and asking for money. So that means the situation can really be delayed even further down the road before Congress gets into the overall question, and it means that what we really have evolved into is a situation where the President of the United States has a right to go to war and has a right to commit the forces without a declaration of war, and a right to fight the war for a long number of days without congressional approval.

Now, if everything works out, and if it is successful, everybody will cheer and everybody will be happy. The time that you need Congress is when it starts going wrong, when it starts going haywire, when things really start working against our own plans and our own scheme.

That is when you need Congress.

At that stage, everybody expects Congress to be there. But I doubt if there are going to be people there when that happens if there is not some mechanism found to bring the Senate and the House, through their leadership or some other mechanism, into the original commitment.

That is the dilemma.

Admiral CROWE. But, Mr. Chairman, conversely there are very few hypothetical scenarios that you can put together where you can get consensus of anybody to commit force to begin with. This is because at that point you don't have tension, you don't have a lot of things. There is great debate. And yet, the President does not have the choice of time, and so forth. He has a problem, and he has to do something.

I keep hearing that well, we must have consensus before we commit. Certainly that is nice. I would prefer that.

Chairman NUNN. But, Admiral, nobody disagreed with the commitment of military forces in the Persian Gulf.

Admiral CROWE. Oh, I don't know.

Chairman NUNN. Well, maybe there were a few people.

Admiral CROWE. Oh, my, I got storms of protest about it.

Chairman NUNN. But no, it was the flagging. It was not on the commitment of military forces.

Admiral CROWE. Well, I see the distinction you are making. Perhaps that is right.

Chairman NUNN. There is a big distinction.

My understanding is there were a lot of people in the Pentagon who had very serious doubts about whether the flagging should ever have occurred, including people at very high places. When Congress tries to exercise some doubt about the wisdom of a reflagging, about putting American flags on, then, all of a sudden, everybody is saying that Congress wants to withdraw forces.

I don't want to withdraw any forces from the Persian Gulf now. I think that those forces ought to remain there until there is a change of circumstances. I am hopeful there will be a change of circumstances, and I may very well be in a position of supporting the flagging, now that it has occurred.

But I think it was a pretty foolish policy to begin with.

I don't know the way out of this dilemma, but I really believe that those of us who want the country to be behind our military men and women when they are committed need to start thinking about ways that we can assure that the country acts together at the beginning.

Senator WARNER. Mr. Chairman, we have had a good discussion here, and you know that you and I are very close in our goals, in our viewpoints. Yes, I would join you in repealing the War Powers, and yes, I would join you in trying to fashion some instrument which would enable Congress to still have a voice, other than just the prolonged power of the purse.

To conclude, I just want to ask one other question here.

There are other places in the world, are there not, Admiral, where men and women of the armed forces are in imminent danger of hostilities? I can think of some.

Admiral CROWE. Well, certainly in areas of tension and potential friction.

Senator WARNER. Surely.

It is awfully difficult to define this by statute.

Admiral CROWE. Oh, yes. I don't think there is any question about that.

Senator WARNER. And to get Congress' involvement in a sort of real-time sense.

Congress, as an institution, is established under the Constitution to take the long-term and broad view. It is not established, nor can it function, to dart in and out on quick decisionmaking about the implementation of a foreign policy decision by the armed forces of the United States.

If I may just conclude this discussion this morning, I would like very much to receive the Admiral's views with respect to the President's proposal of the arms sales to Saudi Arabia, and how the Admiral, in his capacity as Chairman, determines whether or not that proposed sale is in the best interest, the security interest, of our United States.

Admiral CROWE. Do I believe they are? Yes, I do.

Senator WARNER. For what reason, Admiral?

Admiral CROWE. Well, I believe that much of the dialogue comes up immediately that took place or transpired on reflagging, when you start discussing this.

You mentioned earlier about your own visit to the gulf that you had seen what the erosion in confidence that our policy over the years had done to the confidence that our friends in the gulf, our Arab friends, have in the United States. That policy has been in disarray now for quite some time because of a number of actions.

Well, let's go right through them. It is because of Lebanon, because of our Israeli policy, because of the things that transpired in Iran, because of congressional action on arms packages, which has been a very, very important factor.

It has made it extremely difficult to have a viable U.S./Arab policy and to convince our friends in the Arab world that we are serious when we say we have their best intentions or their best interests at heart.

I happen to believe, for much the same reasons as the reflagging, that that part of the world is extremely vital to American interests

and will be for some time, until we don't rely on oil. In turn, these arms assistance packages are a very, very important element in that policy. They are modest, they are structured intentionally not to be offensive, not to be a threat to our other interests in the area, including Israel, and I believe they are not, despite some people's statements to the contrary.

The Joint Chiefs of Staff look at those proposals, as does the Office of the Secretary of Defense.

I just don't see how it can be interpreted as a threat to these other interests.

Senator WARNER. Admiral, the Senate will soon address this issue, I hope.

As I look back over the 9 years that I have been here, each of the Presidents has tried to have a balanced policy toward the State of Israel, which is our most valued friend in that area, and the moderate Arab nations, which are helping us now in terms of achieving a greater degree of peace and stability in the Persian Gulf region.

I am hopeful that Congress will examine this request by the President with an open and an objective mind and will take into consideration the gulf situation, the long-term objective to achieve peace for the Middle East, and to keep this balance between the interests of the moderate Arab States and the State of Israel.

Admiral CROWE. May I add one thing, please, Senator?

Senator WARNER. Yes.

Admiral CROWE. We must not forget that the Arab States, and in particular Saudi Arabia, have a lot of legitimate security interests besides their relationships with Israel.

Since we commenced flagging, we have seen many changes over there, not the least of which was the Mecca riots. We have seen Silkworm missiles fired by the Iranians against Kuwait. Saudi Arabia has on its southern border South Yemen.

These are all legitimate concerns in Riyadh and things they worry about all the time, and they should have the right to protect themselves and defend their security interests against other people and other things. Looking at everything, at the calculus, only in terms of the Arab-Israeli equation is a terrible mistake.

And here we are, supporting the Western Arab countries of the gulf, who are now very antsy and nervous about some of the things that have happened in Iran. They need some other weapon systems. They need some help. They need some assistance and security.

I think it is legitimate. It is legitimate not only from a political standpoint, but also from a military standpoint.

Senator WARNER. So they have within Saudi Arabia targets which militarily can be threatened by an adversary, in all probability Iran, and attacked within a matter of minutes. Am I not correct.

Admiral CROWE. Well, that is essentially right.

What it is is they are just facing great uncertainties. They don't know what is going to happen.

If you visited Saudi Arabia today, they would make this crystal clear to you in a matter of moments. They are looking East; they are not looking West.

Senator WARNER. I realize that.

When Senator Glenn and I visited there, those targets, those geopolitical considerations were pointed out to us. They view this arms sale in terms of their own security against threats primarily in the gulf region.

Admiral CROWE. They want every edge in keeping the gulf secure and stable. So do we.

That is one of our primary interests, to keep stability in the gulf.

But those people who live there want the military capability to at least contribute in that regard. We have looked at these proposals to shape them in a fashion that we feel does not threaten our other basic interests. And I don't think they do.

I understand that it is controversial, though.

Chairman NUNN. Let me ask one question on that one, John.

Senator WARNER. Yes.

Chairman NUNN. What is the tank threat against Saudi Arabia? That is the one that is puzzling to me.

Admiral CROWE. It all depends. Let's be candid about it, Mr. Chairman. The possible and potential tank threat is from Iran, through Kuwait.

Chairman NUNN. Are there not substantial Iraqi forces that would have to be overwhelmed first?

Admiral CROWE. Yes, there are currently. However, the fear and the concern is that, once that is resolved, and depending on how it is resolved—

Senator WARNER. What is "it," now?

Admiral CROWE. The Iran-Iraq War.

Senator WARNER. Thank you.

Admiral CROWE. What will the threat do then?

If you have lived in that part of the world, you would be very nervous about it.

Senator WARNER. Is there not also a theory that Iraq might view an Iranian attack against Saudi Arabia, or Kuwait, as being in their advantage and just sort of allow it to happen so as to draw into that war, in a more active sense, the Saudi and the Kuwaiti forces?

Admiral CROWE. That's very hypothetical. I assume that is a possible scenario, Senator. The politics and the military calculus get pretty involved over there.

But that is the concern, Mr. Chairman.

I don't believe they have the worries about a sea effort or an air effort. First of all, they have some pretty good defenses. They need some buttressing, and they have some allies. But ground action from Iran really worries them.

Chairman NUNN. Admiral, I believe that we have asked most of our questions this morning. Senator Warner and I have to get back to the floor. We thank you so much for being here. We thank you for the superb job you are doing for our country, I think you will have unanimous support from this committee. Again, I will say that I don't know of any person who could do a better job in the tough position you are in today, and is going to get tougher.

We are going to have, Senator Warner, with your concurrence, a meeting to get this nomination out after the 2 o'clock vote in the Vice President's office. I would like staff to put out that notice.

I have one other hypothetical question, Admiral Crowe.

Your term expires tomorrow night, your original 2 year term.

Admiral CROWE. I believe so. Yes, sir.

Chairman NUNN. If that term expired and we did not act on your confirmation, who then would be in charge of our military forces?

Admiral CROWE. Well, the same men that are now, Mr. Chairman the President and the Secretary of Defense.

Chairman NUNN. I mean beyond that. In a military uniform, who would be in charge?

Admiral CROWE. Oh, I thought I would go home and rest for a few days. [General laughter.]

Chairman NUNN. Would the Vice Chairman take over?

Admiral CROWE. I was told by my legal counsel that it is a debatable issue and we hope it won't come to that, but yes, it would be the Vice Chairman.

Senator WARNER. Perhaps it is in our best interest not to try to answer the question.

Chairman NUNN. The Vice Chairman would take over, is that not right?

Admiral CROWE. I assume so, yes.

Senator WARNER. I join the chairman in saying that you have the respect and the trust of the Senate, certainly of this committee. You have done a fine job. We are grateful that you have offered yourself for continued public service.

Admiral CROWE. Thank you very much, sir. It has been a pleasure.

Chairman NUNN. This hearing is concluded.

Thank you very much.

[Whereupon, at 12:40 p.m., the hearing was concluded.]

[The nomination of Admiral William J. Crowe, Jr., was reported to the Senate by Senator Sam Nunn on September 29, 1987, with the recommendation that the nomination be confirmed. The nomination was confirmed by the Senate on October 1, 1987.]

NOMINATION OF JOHN J. WELCH, JR., OF TEXAS, TO BE AN ASSISTANT SECRETARY OF THE AIR FORCE

FRIDAY, OCTOBER 9, 1987

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The committee met, pursuant to notice, at 8:45 a.m., in room SR-222, Russell Senate Office Building, Senator Carl Levin presiding.

Present: Senators Levin and McCain.

Staff present: Patrick A. Tucker, minority counsel; Andrew S. Effron, counsel; Gerald K. Bankus and Sherri Wasserman Goodman, professional staff members; Pamela G. Powell, staff assistant.

Also present: Jeffrey B. Subko, assistant to Senator Exon; Greg Weaver, assistant to Senator Levin; Milton D. Beach, assistant to Senator Glenn; Terrence Lynch, assistant to Senator Shelby; William J. Wight, assistant to Senator Warner; Alan Ptak, assistant to Senator Gramm; and Patrick A. Putignano, assistant to Senator McCain.

OPENING STATEMENT BY SENATOR CARL LEVIN, PRESIDING

Senator LEVIN. This morning the Armed Services Committee meets to consider the nomination of John J. Welch, Jr., to be Assistant Secretary of the Air Force for Research, Development and Logistics.

Mr. Welch comes to this position with extensive experience in defense acquisition. He is an engineer by training, graduating from MIT in 1951.

For most of his professional career he has been involved in the aerospace industry, first as an engineer, later as a program manager, and later still as a senior vice president at LTV Aerospace Corp.

From August 1969 to September 1970, Mr. Welch was the Chief Scientist in the United States Air Force. He is also an active consultant to the Defense Science Board, a member of the U.S. Army and Air Force Science Board and the National Academy of Sciences Naval Studies Group.

Mr. Welch, you come to this position at a very critical time. The Air Force initiated many procurement programs in recent years in the expectation that budgets would grow faster.

The Air Force has launched a number of very large new programs, including the Advanced Tactical Fighter, the C-17 transport, the Advanced Tactical bomber, the small ICBM, rail mobile

MX missiles, two new classes of space boosters, the National Aerospace Plane, and the MILSTAR satellite program, for example.

All were launched at a time when the DOD was projecting real growth increases of 5 percent a year. Fiscal reality now presents a different picture. We have had 3 years of real spending declines in defense.

The prospect of the Gramm-Rudman sequester order this fall opens the possibility that defense spending in fiscal year 1988 could be as much as \$32 billion below the President's request.

In the outyears, the defense budget is some \$300 billion higher than likely spending projections. This means that from \$70 to \$100 billion of Air Force programs and activities will have to be cut over the next 5 years.

You face very tough problems during your stewardship, if the Senate confirms your nomination. We note with relief that you bring an excellent background in defense acquisition to help you with those tough problems.

We welcome you today and look forward to your statement. I know that your wife is here this morning. We welcome her as well.

Before we turn to your opening statement, let me ask Senator McCain if he has an opening statement.

Senator McCAIN. No, thank you, Mr. Chairman.

[The nomination reference of John J. Welch, Jr., follows:]

NOMINATION REFERENCE

SENATE OF THE UNITED STATES,
July 2, 1987.

(Under authority of the order of the Senate of February 3, 1987.)

Ordered, that the following nomination be referred to the Committee on Armed Services:

John J. Welch, Jr., of Texas, to be an Assistant Secretary of the Air Force, vice Thomas Edward Cooper, resigned.

[The biographical sketch of John J. Welch, Jr., which was transmitted to the committee at the time the nomination was referred follows:]

AUGUST 23, 1985.

PERSONAL DATA

Name: John James Welch, Jr.

Name of company: LTV Aerospace and Defense Company.

Title: Senior Vice President—Program Development.

Business address: 1725 Jefferson Davis Highway, Suite 900, Arlington, Virginia 22202

Business telephone: (703) 521-6560.

Date and place of birth: 8-23-30, Cambridge, Mass.

Citizenship: United States.

Marital Status: Married.

Military service: None.

Education: B.S. in Engineering, Massachusetts Institute of Technology, May 1951.

WORK EXPERIENCE

Company assignments: Junior engineer, Chance Vought Corporation, Dallas, Texas, June 1951-July 1952: design of alighting and arresting installation for aircraft and missiles (F7U, XWU-1, F4U and AU-1); selected by competitive examina-

tion for a program of on-the-job training and classroom instruction in all departments of the corporation.

Flight test liaison engineer, Chance Vought Corporation, Dallas, Texas, July 1952-April 1954: modification, testing and preparation for delivery of the Regulus I missile and all support systems; modification, testing and preparation for flight of complete airframe, propulsion, and support sections of the Regulus I missile; modification, testing and preparation for flight of Regulus I drone and control aircraft (TV-2, F2H, F9F, and FJ); preparation and evaluation of the Regulus I missile from receipt to actual launch. Included in this period was the responsibility for the conversion and initial evaluation of the missile launching submarine USS TUNNY.

Missile operations engineer, Chance Vought Corporation, Dallas, Texas, April 1954-November 1956: all problems concerned with the introduction and employment of the Regulus I weapon system in the fleet, and in particular, submarines. These problems included training, logistics, weapon utilization, customer contact, reporting, and on-the-spot design and installation of electrical, electronics, mechanical and structural alterations to correct deficiencies.

Project engineer, Chance Vought Corporation, Dallas, Texas, November 1956-February 1959: complete responsibility for design, installation and test of the launching, stowage, checkout and handling systems for the Regulus I and Regulus II shipboard weapon systems. This included weapon system responsibility from BuAer to all shipbuilding and subcontract agencies involved in the Regulus programs.

Project engineer-advanced anti-submarine warfare, Chance Vought Corporation, Dallas, Texas, February 1959-November 1959: study of requirements and preparation of advanced ASW proposals. Included in this period were technical proposals for sonar, aircraft and missiles.

Chief, ASW engineering projects, Chance Vought Corporation, Dallas, Texas, November 1959-July 1960: technical responsibility for all phases of all projects in the ASW Engineering Department of the Aeronautics Division.

ASW systems engineering manager, Chance Vought Corporation, Dallas, Texas, July 1960-August 1961: management responsibility for all phases of all projects in the ASW Engineering Department of the Aeronautics Division.

Plans and programs manager—aircraft and missiles, Ling-Temco-Vought, Inc., Dallas, Texas, August 1961-July 1963: responsible to the General Manager for planning, proposal program coordination and execution, marketing, sales and customer liaison for the Aeronautics and Missiles Division. This included the analysis of future military needs and requirements, cost effectiveness and systems analyses, direction of all divisional pre- and post-proposal activities and the determination of sales and marketing strategies.

Advanced programs manager, Ling-Temco-Vought, Inc., Dallas, Texas, July 1963-July 1964: direct responsibility for all advanced systems effort within LTV Aeronautics Division. These responsibilities included management planning, administration, technical and sales efforts. This area has the prime divisional responsibility for the planning and acquisition of new business.

Director of product development, Ling-Temco-Vought, Inc., Dallas, Texas, July 1964-March 1965: responsible for directing the planning and execution of all marketing with the exception of current products to current customers, and for directing the planning of this exception, with execution to be by the Program Manager. Further responsible for directing all advance contract and IR&D programs to obtain new business with specific emphasis on the present defense systems, space maneuvering systems, and advanced launch systems.

Vice president—director of product development, LTV Aerospace Corporation, Dallas, Texas, March 1965-May 1966: same as above with the addition of acting for the vice president—general manager in his absence.

Vice president—director of defense systems, LTV Aerospace Corporation, Dallas, Texas, May 1966-December 1966: responsible for the direction of all space defense systems programs currently under contract to the Astronautics Division and all advanced space defense systems programs being conducted under the division's IR&D effort with specific emphasis on the promotion of new business in the space defense systems area. In addition, acted for the vice president—general manager in his absence.

Vice president—programs, LTV Aerospace Corporation, Dallas, Texas, December 1966-October 1968: responsible for the direction of all programs currently under contract at the Missiles and Space Division—Texas facilities. This included Scout, Landing Force Support Weapon, Saturn Tanks, Apollo Radiators, SPARTA, and Langley Field Operations. In addition, responsible for all space and ballistic missile defense systems programs and their alternate applications. Acted for vice president—general manager in his absence.

Vice president—Manager, LTV Aerospace Corporation, Dallas, Texas, October 1968–August 1969: responsible for the direction of all programs and functional organizations at the Missiles and Space Division—Texas facility. Programs included Scout launch vehicle, launch services, space probes, space radiators, extra-vehicular space equipment, advanced missiles, and advanced missile defense systems. Functional organizations under direction were manufacturing, facilities, programs, quality control, engineering, and materials.

Chief scientist, U.S. Air Force, Washington, DC, August 1969–September 1970: provide scientific and technical advice to Chief of Staff on Air Force plans, programs and requirements.

Vice president—LTV Aerospace Corporation, Dallas, Texas, September 1970–December 1975: management responsibility for all aircraft, missile and space, and commercial programs (A-7, F-8, Scout, Lance, classified space programs, advance programs, subcontracts: S-3, DC-10, 747, space shuttle, 494L, P3C, C-130) for the Vought Systems Division. Division responsibility for Michigan and Hampton Technical Center. In addition, acts for company president in his absence.

Senior vice president—Vought Corporation, Dallas, Texas, December 1975–February 1983: direction of all company marketing efforts, international operations, Vought Service Center—the company's contractual services organization—and the Virginia-based Hampton Technical Center. Further responsible for the direction of the Systems Division's aircraft, space, missiles, strategic defense and ground transportation programs, and acts for company president in his absence.

Senior vice president—LTV Aerospace and Defense Company, Dallas, Texas, March 1983–March 1985: provide corporate leadership and direction to the company's new business development activities, domestic and international. Responsibility covers all divisions of the company. Also, establishes the policies and oversees all independent research and development, bidding and proposal expenses, and marketing activities and serves as the focal point in coordinating and interfacing with LTV, the parent company, on all marketing, customer and public relations, advertising, political action matters, and related activities.

Senior vice president—business development, LTV Aerospace and Defense Company, Washington, DC, April 1985–present: same as above but relocated headquarters of function from Dallas, Texas to Washington, DC.

Consultant positions.—Department of Defense, Defense Science Board; Army Science Board; National Academy of Sciences Naval Studies; U.S. Air Force, Scientific Advisory Board; Division Advisory Groups: Foreign Technology Division (AFSC/USAF); Armament Development and Test Center (AFSC/USAF).

Memberships on boards or committees.—Defense Systems Management School, Board of Visitors; Massachusetts Institute of Technology, Educational Council; Center for Strategic and International Studies: Technology Transfer, Defense Futures.

Membership in professional and scientific societies.—Professional Engineer, State of Texas; Air Force Association; American Astronautical Society; American Society of Mechanical Engineers; American Ordnance Association; Association of the United States Army; Navy League of the United States.

Citation.—Received Exceptional Civilian Service Award following service and Chief Scientist, USAF.

Civic.—Southwest Regional Chairman, Aerospace Exploring, Active in Catholic educational activities including Chairman, Jesuit College Prep; Advisory Board and Vice President, Dallas Diocesan School Board.

[The Committee on Armed Services requires all individuals nominated from civilian life by the President to positions requiring the advice and consent of the Senate, and certain senior military officers as determined by the committee, to complete a form that details the biographical, financial and other information of the nominee. The form executed by John James Welch, Jr. in connection with his nomination follows:]

UNITED STATES SENATE
COMMITTEE ON ARMED SERVICES

Room SR-222

Washington, DC 20510-6050

(202) 224-3871

COMMITTEE ON ARMED SERVICES FORM

BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF
NOMINEES

INSTRUCTIONS TO THE NOMINEE: Complete all requested information. If more space is needed, use an additional sheet and cite the part of the form and the question number (i.e. A-9, B-4) to which the continuation of your answer applies.

PART A—BIOGRAPHICAL INFORMATION

INSTRUCTIONS TO THE NOMINEE: Biographical information furnished in this part of the form will be made available in committee offices for public inspection prior to the hearing and will also be published in any hearing record as well as made available to the public.

1. **NAME:** (Include any former names used.)

John James Welch, Jr. (Jack).

2. **Position to which nominated:**

Assistant Secretary of the Air Force (Acquisition).

3. **Date of nomination:**

July 7, 1987.

4. **Address:** (List current place of residence and office addresses.)

[Nominee responded and the information is contained in the committee's executive files.]

Office: Room 4E964, The Pentagon, Washington, DC 20330-1000.

5. **Date and place of birth:**

August 23, 1930, Cambridge, Massachusetts.

6. **Marital status:** (Include maiden name of wife or husband's name.)

Married to: Louise Patricia Joyce (Welch).

7. **Names and ages of children:**

John Kelly Welch (30).

Bridget Ann Welch (27).

Shannon Louise Welch (Robinson) (25).

Erin Marie Welch (22).

8. **Education:** List secondary and higher education institutions, dates attended, degree received and date degree granted.

East Junior High, Watertown, MA, September 41-June 43.

Rindge Technical School, Cambridge, MA, September 43-June 47.

Massachusetts Institute of Technology, Cambridge, MA, September 47-June 51
BSME.

9. **Employment record:** List all jobs held since college or in the last 10 years, whichever is less, including the title or description of job, name of employer, location of work, and dates of employment.

Senior Vice President, Vought Corporation, Dallas, Texas, December 75-February 83.

Senior Vice President, LTV Aerospace and Defense Company, Dallas, Texas, March 83-March 85.

Senior Vice President-Business Development, LTV Aerospace and Defense Company, Washington, DC, April 85-present.

10. **Government experience:** List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above.

Air Force Institute of Technology, Wright-Patterson AFB, OH, Consultant 1980-Present.

Army Science Board, Pentagon Consultant 1984-Present.

DOD Defense Science Board Consultant 1970-80.

Air Force Scientific Advisory Board Consultant 1970-74.

Chief Scientist, US Air Force August 69-September 70.

11. **Business relationships:** List all positions currently held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution.

Welch Construction Co.—Sub Chapter S—Not active.

12. **Memberships:** List all memberships and offices currently held in professional, fraternal, scholarly, civic, business, charitable and other organizations.

See attached supplement.

ORGANIZATIONAL MEMBERSHIPS

Name and address	Type	Office held	From	To
Air Force Institute of Technology, Wright-Patterson AFB, OH 45433	Consultant	None	1980	Present.
Air Force Scientific, Advisory Bd., AFCCN (SA), Washington, DC 20330	do	do	1970	1974
American Astr. Society, 6060 Duke Street, Alexandria, VA 22304	Professional	do	1962	Present.
American Defense Preparedness Association, 819 Union Trust Bldg., 15th & H Streets, NW., Washington, DC 20005.	do	Previous Board Mbr.	1969	Do.
American Management Association, 135 W. 50th Street, New York, NY 10020.	do	None	1970	Do.
American Ordnance Assoc. (merged with ADPA—see address above)	do	do	1970	Do.
American Institute of Aero. & Astro., Inc., 1290 Ave. of the Americas, New York, NY 10019.	do	do	1970	Do.
Army Aviation Assoc., 1 Crestwood Rd., Westport, CT 06880	do	do	1980	Do.
Army Science Board, Pentagon, Room 2E673, Washington, DC 20310-0103.	Consultant	do	1984	Do.
Association of Naval Aviation, Inc., Suite 502, 5205 Leesburg Pike, Falls Church, VA 22041.	Professional	Trustee	1978	Do.
Association of U.S. Army, 1529 18th Street, NW., Washington, DC 20036	do	None	1960	Do.
Department of Defense, Defense Science Board, 3E1040 Pentagon, Washington, DC 20310.	Consultant	do	1970	1980
Fort Worth Airpower Council, Suite 101, 2501 Ridgemar Plaza, Fort Worth, TX 76116.	Professional	do	1978	1979
International Management & Development Institute, Suite 905, 2600 Virginia Ave., NW., Washington, DC 20037.	do	do	1976	Present.
Marine Corps Aviation Association, Inc., P.O. Box 296, Quantico, VA 22134.	do	do	1978	Do.
Mass. Institute of Tech. Educational Council, MIT, Cambridge, MA 02139	Educational	do	1963	Do.
National Aeronautics Association, Suite 430, 821 15th St., NW., Washington, DC 20005.	Professional	do	1979	Do.
National Assoc. of Remotely Piloted Vehicles, Suite 256, 4130 Linden Ave., Dayton, OH 45432.				
National Association of Manufacturing, 1776 F Street, NW., Washington, DC 20006.	do	do	1976	Do.
National Aviation Club, 1745 Jefferson Davis Hwy., Suite 308, Arlington, VA 22202.	do	do	1981	Do.
National Security Industrial Association, 740 15th Street, NW., Washington, DC 20005.	do	do	1974	Do.
National Space Club, 1629 K Street, NW., Washington, DC 20006	do	do	1974	Do.
Navy League of the U.S., 818 18th Street, NW., Washington, DC 20006	do	do	1974	Do.
Texas Society of Professional Engineers, Austin, TX 78767	do	do	1974	Do.
American Geophysical Union, 1515 Mass. Ave., NW., Washington, DC 20013.	do	do	1959	Do.
American Society of Mech. Engineers, 345 E. 47th Street, New York, NY 10017.	do	do	1951	Do.
Dean Memorial Learning Center, 2100 Welborn St., Dallas, TX 75219	do	Bd. Mbr.	1978	1981

13. Political affiliations and activities:

(a) List all offices with a political party which you have held or any public office for which you have been a candidate.

None.

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 5 years.

None.

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$100 or more for the past 5 years.

LTV Active Citizenship Campaign.

1987—\$20/week.

1986—\$960.00

Oct 1984 Martin Frost Campaign Comm. \$100.00.

14. **Honors and awards:** List all scholarships, fellowships, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements.

Air Force Exceptional Civilian Service Award.

15. **Published writings:** List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.

CSIS Seminar on European Warfare—1984.

16. **Speeches:** Provide the committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated.

Economist—Seminar 1984; Seminar 1987.

17. **Selection:** (a) Do you know why you were chosen for this nomination by the President?

Professional background and experience.

(b) What do you believe in your background or employment experience affirmatively qualifies you for this particular appointment?

See resume attached.

AUGUST 23, 1985.

PERSONAL DATA

Name: John James Welch, Jr. (027-22-0624).

Name of Company: LTV Aerospace and Defense Company.

Title: Senior Vice President—Program Development.

Business Address: 1725 Jefferson Davis Highway, Suite 900, Arlington, Virginia 22202.

Business Telephone: (703) 521-6560.

Date & place of birth: 8-23-30, Cambridge, Mass.

Citizenship: United States.

Marital Status: Married.

Military Service: None.

Education: B.S. in Engineering, Massachusetts Institute of Technology, May 1951.

18. **Commitment to testify before Senate committees:** Do you agree, if confirmed, to respond to requests to appear and testify before any duly constituted committee of the Senate?

Yes.

WORK EXPERIENCE

Company assignments: Junior engineer, Chance Vought Corporation, Dallas, Texas, June 1951-July 1952: design of alighting and arresting installation for aircraft and missiles (F7U, XWU-1, F4U and AU-1); selected by competitive examination for a program of on-the-job training and classroom instruction in all departments of the corporation.

Flight test liaison engineer, Chance Vought Corporation, Dallas, Texas, July 1952-April 1954: modification, testing and preparation for delivery of the Regulus I missile and all support systems; modification, testing and preparation for flight of complete airframe, propulsion, and support sections of the Regulus I missile; modification, testing and preparation for flight of Regulus I drone and control aircraft (TV-2, F2H, F9F, and FJ); preparation and evaluation of the Regulus I missile from receipt to actual launch. Included in this period was the responsibility for the conversion of initial evaluation of the missile launching submarine USS TUNNY.

Missile operations engineer, Chance Vought Corporation, Dallas, Texas, April 1954-November 1956: all problems concerned with the introduction and employment of the Regulus I weapon system in the fleet, and in particular, submarines. These problems included training, logistics, weapon utilization, customer contact, reporting, and on-the-spot design and installation of electrical, electronics, mechanical and structural alterations to correct deficiencies.

Project engineer, Chance Vought Corporation, Dallas, Texas, November 1956-February 1959: complete responsibility for design, installation and test of the launching, stowage, checkout and handling systems for the Regulus I and Regulus II shipboard weapon systems. This included weapon system responsibility from BuAer to all shipbuilding and subcontract agencies involved in the Regulus programs.

Project engineer—advanced anti-submarine warfare, Chance Vought Corporation, Dallas, Texas, February 1959–November 1959: study of requirements and preparation of advanced ASW proposals. Included in this period were technical proposals for sonar, aircraft and missiles.

Chief, ASW engineering projects, Chance Vought Corporation, Dallas, Texas, November 1959–July 1960: technical responsibility for all phases of all projects in the ASW Engineering Department of the Aeronautics Division.

ASW systems engineering manager, Chance Vought Corporation, Dallas, Texas, July 1960–August 1961: management responsibility for all phases of all projects in the ASW Engineering Department of the Aeronautics Division.

Plans and programs manager—aircraft and missiles, Ling-Temco-Vought, Inc., Dallas, Texas, August 1961–July 1963: responsible to the General Manager for planning, proposal program coordination and execution, marketing sales and and customer liaison for the Aeronautics and Missiles Division. This included the analysis of future military needs and requirements, cost effectiveness and systems analyses, direction of all divisional pre- and post-proposal activities and the determination of sales and marketing strategies.

Advanced programs manager, Ling-Temco-Vought, Inc., Dallas, Texas, July 1963–July 1964: direct responsibility for all advanced systems effort within LTV Astronautics Division. These responsibilities included management planning, administration, technical and sales efforts. This area has the prime divisional responsibility for the planning and acquisition of new business.

Director of product development, Ling-Temco-Vought, Inc., Dallas, Texas, July 1964–March 1965: responsible for directing the planning and execution of all marketing with the exception of current products to current customers, and for directing the planning of this exception, with execution to be by the program manager. Further responsible for directing all advance contract and IR&D programs to obtain new business with specific emphasis on the present defense systems, space maneuvering systems, and advanced launch systems.

Vice president—director of product development, LTV Aerospace Corporation, Dallas, Texas, March 1965–May 1966: same as above with the addition of acting for the vice president—general manager in his absence.

Vice president—director of defense systems, LTV Aerospace Corporation, Dallas, Texas, May 1966–December 1966: responsible for the direction of all space defense systems programs currently under contract to the Astronautics Division and all advanced space defense systems programs being conducted under the division's IR&D effort with specific emphasis on the promotion of new business in the space defense systems area. In addition, acted for the vice president—general manager in his absence.

Vice president—programs, LTV Aerospace Corporation, Dallas, Texas, December 1966–October 1968: responsible for the direction of all programs currently under contract at the Missiles and Space Division—Texas facilities. This included Scout, Landing Force Support Weapon, Saturn Tanks, Apollo Radiators, SPARTA, and Langley Field Operations. In addition, responsible for all space and ballistic missile defense systems programs and their alternate applications. Acted for vice president—general manager in his absence.

Vice president—manager, LTV Aerospace Corporation, Dallas, Texas, October 1968–August 1969: responsible for the direction of all programs and functional organizations at the Missiles and Space Division—Texas facility. Programs included Scout launch vehicle, launch services, space probes, space radiators, extravehicular space equipment, advanced missiles, and advanced missile defense systems. Functional organizations under direction were Manufacturing, Facilities, Programs, Quality Control, Engineering, and Materials.

Chief scientist, U.S. Air Force, Washington, DC, August 1969–September 1970: provide scientific and technical advice to Chief of Staff on Air Force plans, programs and requirements.

Vice president, LTV Aerospace Corporation, Dallas, Texas, September 1970–December 1975: management responsibility for all aircraft, missile and space, and commercial programs (A-7, F-8, Scout, Lance, classified space programs, advance programs, subcontracts: S-3, DC-10, 747, space shuttle, 494L, P3C, C-130) for the Vought Systems Division. Division responsibility for Michigan and Hampton Technical Center. In addition, acts for company president in his absence.

Senior vice president, Vought Corporation, Dallas, Texas, December 1975-February 1983: direction of all company marketing efforts, international operations, Vought Service Center—the company's contractual services organization—and the Virginia-based Hampton Technical Center. Further responsible for the direction of the Systems Division's aircraft, space, missiles, strategic defense and ground transportation programs, and acts for company president in his absence.

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Consultant positions.—Department of Defense, Defense Science Board; Army Science Board; National Academy of Sciences Naval Studies; U.S. Air Force, Scientific Advisory Board; Division Advisory Groups: Foreign Technology Division (AFSC/USAF); Armament Development and Test Center (AFSC/USAF).

Memberships on boards or committees.—Defense Systems Management School, Board of Visitors; Massachusetts Institute of Technology, Educational Council; Center for Strategic and International Studies—Technology Transfer; Defense Futures.

Membership in professional and scientific societies.—Professional engineer, State of Texas; Air Force Association; American Astronautical Society; American Society of Mechanical Engineers; American Ordnance Association; Association of the United States Army; Navy League of the United States.

Citation.—Received Exceptional Civilian Service Award following service and Chief Scientist, USAF.

Civic.—Southwest regional chairman, Aerospace Exploring; active in Catholic educational activities including chairman, Jesuit College Prep; advisory board and vice president, Dallas Diocesan School Board.

JOHN J. WELCH, JR.

SENIOR VICE PRESIDENT—PROGRAM DEVELOPMENT LTV AEROSPACE AND DEFENSE COMPANY

John J. Welch, Jr. is a veteran aerospace executive who has managed the designing, building, test and support of aircraft, missiles and space systems.

As senior vice president—program development for LTV Aerospace and Defense Company, a subsidiary of the LTV Corporation, he has overall responsibility for the front end of the business including international and the company's Washington office.

Welch joined the company in 1951 after graduating from Massachusetts Institute of Technology with a bachelor of science degree in engineering.

He has held a succession of key positions with the company, including manager of aircraft and missile plans and programs, advanced programs manager, vice president—director of product development, vice president—director of defense systems, vice president of programs and senior vice president—planning and new business development.

In 1969 Welch was appointed chief scientist for the U.S. Air Force and served in that office until September 1970, when he returned to the company as vice president—programs. He was promoted to vice president for the corporation in February 1974 and to senior vice president in December 1975.

He is a member of the Army Science Board, a consultant to the National Academy of Sciences Naval Studies Program and a member of several other defense associations and technical societies.

On departing from his Air Force assignment, Welch was presented the Exceptional Civilian Service Award by Gen. John D. Ryan, who was Air Force Chief of Staff.

COMMITTEE ON ARMED SERVICES FORM

FINANCIAL AND OTHER INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Information furnished in Parts B through F will be retained in the committee's executive files and will not be made available to the public unless specifically directed by the committee.

NAME: John J. Welch, Jr.

PART B—FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all business connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Has anybody made a commitment to employ your services in any capacity after you leave government service?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Is your spouse employed and, if so, where?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART C—POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients or customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.)

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Do you agree to provide to the committee any written opinions provided by the General Counsel of the agency to which you are nominated and by the Attorney General's office concerning potential conflicts of interest or any legal impediments to your serving in this position?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART D—LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Have you ever been investigated, arrested, charged or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county or municipal law, regulation or ordinance, other than a minor traffic offense? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Have you or any business of which you are or were an officer ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you ever been convicted (including a plea of guilty or nolo contendere) of any criminal violation other than a minor traffic offense?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Please advise the committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART E—FOREIGN AFFILIATIONS

1. Have you or your spouse ever represented in any capacity (e.g., employee, attorney, business, or political adviser or consultant), with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. If you or your spouse has ever been formally associated with a law, accounting, public relations firm or other service organization, have any of your or your spouse's associates represented, in any capacity, with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. During the past ten years have you or your spouse received any compensation from, or been involved in any financial or business transactions with, a foreign government or an entity controlled by a foreign government? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you or your spouse ever registered under the foreign Agents Registration Act? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART F—FINANCIAL DATA

All information requested under this heading must be provided for yourself, your spouse, and your dependents.

1. Describe the terms of any beneficial trust or blind trust of which you, your spouse, or your dependents may be a beneficiary. In the case of a blind trust, provide the name of the trustee(s) and a copy of the trust agreement.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Provide a description of any fiduciary responsibility or power of attorney which you hold for or on behalf of any other person.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, executory contracts and other future benefits which you expect to derive from current or previous business relationships, professional services and firm memberships, employers, clients and customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you filed a Federal income tax return for each of the past 10 years? If not, please explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Have your taxes always been paid on time?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Were all your taxes, Federal, State, and local, current (filed and paid) as of the date of your nomination?

[Note: Nominee responded and the information is contained in the committee's executive files.]

7. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

[Note: Nominee responded and the information is contained in the committee's executive files.]

8. Have any tax liens, either Federal, State, or local, been filed against you or against any real property or personal property which you own either individually, jointly, or in partnership?

[Note: Nominee responded and the information is contained in the committee's executive files.]

(The committee may require that copies of your Federal income tax returns be provided to the committee. These documents will be made available only to Senators and the staff designated by the chairman. They will not be available for public inspection.)

SIGNATURE AND DATE

I hereby state that I have read and signed the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

JOHN J. WELCH, JR.

This 15th day of July, 1987.

Senator LEVIN. Okay. Mr. Welch, do you have an opening statement?

**STATEMENT OF JOHN J. WELCH, JR., SENIOR VICE PRESIDENT,
PROGRAM DEVELOPMENT, LTV AEROSPACE AND DEFENSE CO.**

Mr. WELCH. Mr. Chairman, I have no prepared statement. I just want to say that I am certainly honored to be here as the President's nominee for Assistant Secretary of the Air Force in the acquisition community.

The positive support that I have had so far, from the Secretary of the Air Force, Mr. Aldridge, and the Chief of Staff, General Welch, is certainly an added compliment.

I am aware of your tight schedule today, so I do not have a statement. I would say that, as you noted, I have been in this business for 36 plus years, which is about two-thirds of my life now in research, development, test, and acquisition. It is kind of an emotional moment for me to be here. But I would assure you that I realize the trust and the commitment that is required, if the Senate sees fit to confirm me. I am prepared to answer your questions.

Senator LEVIN. Thank you. And again, I welcome and congratulate you and your family.

Mr. Welch, I know you are familiar with the Packard Commission recommendations and the legislation last year, which followed those recommendations, all of which affect the acquisition system within the Department of Defense.

The legislation envisioned a streamlined management structure, and established the Office of Under Secretary of Defense for Acquisition to establish and oversee that structure.

Could you describe for us your understanding of the legislation and the role that you envision for yourself under that legislation?

Mr. WELCH. I can address that from an Air Force standpoint, I delivered yesterday to the committee a job description of the position of Assistant Secretary for Acquisition.

I believe that, one, it is a streamlined system that pulls the total acquisition system into the one office, which was addressed both in the Packard Commission and in legislation.

I believe that the efforts that I have been able to observe in the short time that I have been with the Air Force that they have completed the streamlining study, have streamlined procedures that are going into place, and in fact have made their first move toward a real integration of the Secretariat and the military air staff contribution to acquisition.

I would say that what I have observed so far, they are addressing themselves to it expeditiously. And people can see some movement in that direction that will continue.

Senator LEVIN. Is it your understanding that the new Under Secretary of Defense for Acquisition can direct acquisition actions by the Air Force?

Mr. WELCH. As I understand the situation, that in matters of acquisition, the new Under Secretary of Defense is the senior official.

And as such, his position, with respect to the Secretary of the Air Force, is in fact directive.

Senator LEVIN. When Secretary Lehman was Secretary of the Navy, he eliminated some of the layers of bureaucracy by eliminating the Naval Materiel Command.

The Air Force, on the other hand, has maintained its counterpart, the Air Force Systems Command. I am just wondering now how we could have the streamlined acquisition envisioned by the Packard Report, as long as that Systems Command remains.

Do you believe that maintaining the Systems Command is consistent with the streamlining?

Mr. WELCH. Well, I certainly have not been participating close enough to make detailed comments.

But I would say, in looking at the Air Force, that it has an acquisition career field which is, I think, both an encouragement of the Senate and an encouragement in the Packard Commission.

And with the Systems Command support to that acquisition process, they have created a career field, military and civilian, which, is admired by the other services and has, in fact, made a specific contribution to acquisition.

So it would seem to me that the Systems Command is an integral function of the acquisition system. I could not comment on the Navy.

Senator LEVIN. You might take a look at what the Navy did and what the Air Force is doing and 6 months from now let us know why the Navy is going in one direction and the Air Force in the other, and whether you think it is appropriate.

There may be good reasons for going in different directions. But take a look at that, if you would.

Mr. WELCH. I would certainly do that, from acquisition. I will not comment on the Navy direction, but will on the Air Force direction.

Senator LEVIN. No, no. I would not want you to have to comment on the Navy, just review what you might learn from their program.

We have had a lot of testimony that we are producing equipment at very inefficient production rates.

And as a matter of fact, we just heard this Wednesday, I believe, very compelling testimony that we are structurally disarming, because of our inefficient production rates.

I am wondering whether you have any proposals or any thoughts that might help improve production rates for Air Force systems, whether you think we ought to be starting fewer systems, whether we ought to be terminating systems.

Do you have any thoughts on how we could have more efficient production rates in the Air Force?

Mr. WELCH. I can only comment, really, from my industrial experience.

I have not seen sufficient Air Force procedures yet. But there certainly is an economic rate at which one can produce systems.

But perhaps the stability over several years, where one can plan to produce, and then produce at some reasonable quantity, I would think that both the rate and the stability of the plans would be the most significant things that could be addressed.

Senator LEVIN. Do you believe that the planning process that we engage in tends to start us down the road with more programs than we are able to afford?

And if so, how would you change that planning process?

Mr. WELCH. Well, it would be an observation at this time. But I think again the proper word is some stability to the plan.

It is one thing to set levels and affordability levels. But for people to be able to plan over some reasonable period of time, and expect to achieve those resources to support that plan, it would seem to be it is more volatile at the present time than one could hope to respond to.

Senator LEVIN. My final question, do you have any particular priorities for yourself in this office?

Mr. WELCH. Well, from what I can see, over the past year the Air Force has started to set itself even higher goals in terms of acquisition, including time and cost and quality, reaching out in terms of operational tasks.

I would try to find the way to support that activity, and do it, frankly, faster and at a lower cost, would be the priorities I would see that should be out in front of us.

Senator LEVIN. Senator McCain.

Senator MCCAIN. I have no questions, Mr. Chairman. I have had the opportunity of knowing Mr. Welch for quite a few years.

He enjoys an outstanding reputation in the defense community. And I have every confidence that he will do a fine job.

Senator LEVIN. We all congratulate you and your family, and hope that this can move speedily to the floor. And you are excused. Thank you.

There may be some questions from other members for the record.

We are hoping to vote on your nomination next week and send it to the floor. We do not know how long it will take then, but we hope it can move expeditiously. And again, our congratulations to you.

Mr. WELCH. Thank you, Mr. Chairman.

Senator LEVIN. Thank you.

[Discussion off the record.]

Senator LEVIN. Apparently by tradition, we are supposed to ask you whether or not you will testify, if called to testify before this committee, or any of its subcommittees. Will you be willing to do that?

Mr. WELCH. Yes, Mr., Chairman. I would be willing to do that.

Senator LEVIN. Thank you. Now you can really go. [Laughter.]

We just wanted to scare you a little bit. [Laughter.]

[Whereupon, at 9 a.m., the hearing was adjourned.]

[The nomination of John J. Welch, Jr. was reported to the Senate by Senator Sam Nunn on October 20, 1987, with the recommendation that the nomination be confirmed. The nomination was confirmed by the Senate on October 23, 1987.]

NOMINATION OF KATHLEEN A. BUCK, OF VIRGINIA TO BE GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE

FRIDAY, OCTOBER 9, 1987

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The committee met, pursuant to notice, at 9 a.m., in room SR-222, Russell Senate Office Building, Senator Carl Levin presiding.

Present: Senators Levin, Exon, Glenn, and McCain.

Staff present: Patrick A. Tucker, minority counsel; Andrew S. Effron, counsel; Gerald K. Bankus and Sherri Wasserman Goodman, professional staff members; Pamela G. Powell, staff assistant.

Also present: Jeffrey B. Subko, assistant to Senator Exon; Greg Weaver, assistant to Senator Levin; Milton D. Beach, assistant to Senator Glenn; Terrence Lynch, assistant to Senator Shelby; William J. Wight, assistant to Senator Warner; Mark J. Albrecht, assistant to Senator Wilson; Alan Ptak, assistant to Senator Gramm; Samuel J. Routson, assistant to Senator Symms; and Patrick A. Putignano, assistant to Senator McCain.

OPENING STATEMENT BY SENATOR CARL LEVIN, PRESIDING

Senator LEVIN. The next matter before the committee is the nomination of Kathleen A. Buck to be General Counsel of the Department of Defense.

Ms. Buck, welcome to you and your family as well. We understand you have your husband and one of your children here. We particularly hope that your son will enjoy this outing.

The hearing on your nomination involves one of the most important positions within the DOD. The rule of law is important to all Government agencies. But it is a matter of special concern to the Department of Defense.

From the complexities of our procurement system to the sensitive issues of health care, the Department finds itself on the cutting edge of the law. Through the military justice system, the Department manages one of the most extensive criminal justice systems in the United States.

Within the Department, sorting out the unique organizational relationships among the Office of the Secretary, the military departments, and the defense agencies, requires the most sophisticated understanding of administrative law.

The General Counsel must address the law in a highly-charged atmosphere, in which the debates often involve the most sensitive

issues of war and peace, contractual actions involving vast sums of money, and personnel policies which impact on the rights and well-being of millions of service members, civilian employees, and their families.

During a confirmation hearing on one of your predecessors, our chairman recalled that Dean Rusk described his legal advisor as the conscience of the Department of State. And he expressed the view that the General Counsel of the Department of Defense should view the position in the same light.

Recent events have confirmed the value of that advice. In the Iran-Contra affair, leading lawyers of the Government were excluded from the policy-making process. Others gave the law a narrow and constricted reading, to such an extent that they failed to serve as a balancing wheel that might have prevented the problems that befell us.

Now, you come to the administration with a solid background, both in the private sector and in Government. Your previous service as Assistant General Counsel to DOD and your current duties as Air Force General Counsel will facilitate the transition to your new duties.

I welcome you to the committee, and again, we are pleased that your husband and your son, Adam, are here with you today. Before I call upon you to see if you have an opening statement, let me ask my colleagues if they might have any opening remarks. Senator McCain.

Senator McCAIN. No, thank you, Mr. Chairman.

Senator LEVIN. Senator Exon.

Senator EXON. No, I have no opening statement, Mr. Chairman. I do want to join you in welcoming Ms. Buck here this morning. And that we look forward to her testimony.

Senator LEVIN. Ms. Buck, do you have a statement?

STATEMENT OF KATHLEEN A. BUCK, NOMINEE TO BE GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE

Ms. BUCK. No, sir. I do not have a prepared statement. But I would like to say that of course I consider it a great honor to have been nominated for this position by the President, and that I would look forward to working with the members of this committee, if I am confirmed.

[The nomination reference of Kathleen A. Buck follows:]

NOMINATION REFERENCE

AS IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
July 9, 1987.

Ordered, that the following nomination be referred to the Committee on Armed Services:

Kathleen A. Buck, of Virginia, to be General Counsel of the Department of Defense, vice H. Lawrence Garrett III.

[The biographical sketch of Kathleen A. Buck, which was transmitted to the committee at the time the nomination was referred follows:]

BIOGRAPHICAL SKETCH OF KATHLEEN A. BUCK

Kathleen A. Buck is the general counsel of the Air Force and acts as the final legal authority on all matters arising within or referred to the Air Force, except matters involving military justice. As general counsel, she also serves as a member of the Intelligence Oversight Panel, advises the Debarment and Suspension Review Board, and performs liaison duties with the Department of Justice.

Ms. Buck was born in South Bend, Indiana, on November 14, 1948. She is an honors graduate of St. Mary's College, Notre Dame, Indiana, where she received a bachelor of arts in government with a minor in Latin American studies and international relations, in 1970. Ms. Buck has also attended Universidad Iberoamericana in Mexico City, Mexico. She received her juris doctorate from Indiana University, in 1973.

Prior to graduation from law school, Ms. Buck served as a criminal investigator in Indiana and served in several legal clerkships. Following graduation from law school, she was a trial lawyer in Florida practicing in both state and federal courts. In 1975, she joined the office of general counsel of Swift & Company and thereafter served as an attorney with Esmark, Inc., in Washington, D.C., handling federal legislative issues, regulatory matters with the Executive Branch, including the Department of Defense, and various matters in the courts.

In 1981, Ms. Buck was appointed assistant general counsel (office of legal counsel) in the Department of Defense. In that position her responsibilities included administrative law issues, standards of conduct and other significant legal matters which have department-wide ramifications. She was also responsible for management of the Defense Industrial Security Review Program. In 1986, Ms. Buck received the Department of Defense Distinguished Public Service Award. She has published law articles regarding national security and defense issues.

Ms. Buck is married to Raymond Battocchi, also an attorney. They live in Great Falls, Virginia, with their two sons, Adam and Brian.

[The Committee on Armed Services requires all individuals nominated from civilian life by the President to positions requiring the advice and consent of the Senate, and certain senior military officers as determined by the committee, to complete a form that details the biographical, financial and other information of the nominee. The form executed by Kathleen A. Buck in connection with her nomination follows:]

UNITED STATES SENATE

COMMITTEE ON ARMED SERVICES

Room SR-222

Washington, DC 20510-6050

(202) 224-3871

COMMITTEE ON ARMED SERVICES FORM

BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF
NOMINEES

INSTRUCTIONS TO THE NOMINEE: Complete all requested information. If more space is needed, use an additional sheet and cite the part of the form and the question number (i.e. A-9, B-4) to which the continuation of your answer applies.

PART A—BIOGRAPHICAL INFORMATION

INSTRUCTIONS TO THE NOMINEE: Biographical information furnished in this part of the form will be made available in committee offices for public inspection prior to the hearing and will also be published in any hearing record as well as made available to the public.

1. NAME: (Include any former names used.)

Kathleen Ann Buck.

2. **Position to which nominated:**
General Counsel of the Defense Department.
3. **Date of Nomination:**
July 6, 1987.
4. **Address:** (List current place of residence and office addresses.)
[Nominee responded and the information is contained in the committee's executive files.]
Office: Room 4E998, the Pentagon, Washington, D.C. 20330-1000.
5. **Date and place of birth:**
November 14, 1948, South Bend, Indiana.
6. **Marital Status:** (Include maiden name of wife or husband's name.)
Married to Raymond Donald Battocchi.
7. **Names and ages of children:**
Brian Paul Battocchi (two years old); Adam Raymond Battocchi (five years old).
8. **Education:** List secondary and higher education institutions, dates attended, degree received and date degree granted.
Riley High School, South Bend, Indiana, 1962-66—H.S. Diploma (1966).
St. Mary's College, Notre Dame, Indiana, 1966-70—B.A. (1970).
Universidad Iberoamericana, Mexico City, Mexico, June to August of 1968.
Indiana University Law School, Bloomington, Indiana, 1970-73—J.D. (1973).
9. **Employment record:** List all jobs held since college or in the last 10 years, whichever is less, including the title or description of job, name of employer, location of work, and dates of employment.
General Counsel, U.S. Air Force, Pentagon, Washington, DC; June 1986 to present.
Assistant General Counsel (Office of Legal Counsel) Department of Defense, Pentagon, Washington, DC, July 1981 to June 1986.
Assistant Director of Government Relations, Esmark, Inc., Washington, DC, January 1977 to July 1981.
10. **Government experience:** List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above.
Extension Horse Program Committee for Fairfax County (1977).
11. **Business relationships:** List all positions currently held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution.
Brockton Centre Association, Boston, MA., limited partnership.
Lakeside Homes, Boston, MA., limited partnership.
12. **Memberships:** List all memberships and offices currently held in professional, fraternal, scholarly, civic, business, charitable and other organizations.
American Bar Association.
Florida Bar Association.
D.C. Bar Association.
Women in Government Relations, Inc.
Phi Delta Phi Legal Fraternity.
St. Mary's College Alumnae Club.
Republican Working Women's Forum.
Pentagon Officer's Athletic Club.
13. **Political affiliations and activities:**
 - (a) List all offices with a political party which you have held or any public office for which you have been a candidate.
Precinct Captain—Great Falls, Virginia.
Member of the Fairfax County Republican Committee.
Ex officio member of the Virginia Federation of Republican Women Board of Directors.
Adviser on federal election laws to the Atoka Country Supper Committee.
 - (b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 5 years.
Member of the Republican Party of Virginia.
Republican Working Women's Forum.
McLean Republican Women's Club.
No services rendered.

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$100 or more for the past 5 years.

Bobbie Kilberg (State Senate in Virginia).
Wyatte Durrette for Governor of Virginia.
Republican Party of Virginia.
Atoka Country Supper Committee.
John Warner for U.S. Senate in Virginia.
Frank Wolf for Congress.

14. **Honors and Awards:** List all scholarships, fellowships, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements.

Department of Defense Distinguished Public Service Award, Women in Government Relations Most Distinguished Member Award, Cum laude graduate from College, Dean's List, Pi Sigma Alpha National Political Science Honor Fraternity, Scholarship to law school.

15. **Published writings:** List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.

"Emergency Preparedness" chapter to be published in a casebook by the University of Virginia School of Law Center for Law and National Security.

"Special Litigation Problems: The Use and Availability of Classified and Privileged Information" published by the American Bar Association Section of Public Contract Law in a manual entitled *Audit and Control for Defense Contractors* (May 16, 1986).

The First Amendment—An Absolute Right?, 26 William and Mary Law Review 851 (Special Issue 1984-85).

"Key Legal Issues in Technology Transfer and Export Control" published by the University of Virginia Center for Law and National Security Studies in a special issue on October 19, 1985.

"Technical Data" published in the 1985 GPLA/BNA Patent Conference Coursebook (March 28-29, 1985).

Conflict of Interest Rules for Retirees, Defense News (January, 1982).

*Additional presentations I have made at conferences may have been published. Those presentations are included in my response to question 16.

16. **Speeches:** Provide the committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

17. **Selection:**

(a) Do you know why you were chosen for this nomination by the President?

My qualifications and I believe based on the recommendation of Secretary Weinberger.

(b) What do you believe in your background or employment experience affirmatively qualifies you for this particular appointment?

I believe I am qualified based on my experience working on legal matters within the Department of Defense, my experience as a corporate lawyer and as a trial lawyer.

18. **Commitment to testify before Senate committees:** Do you agree, if confirmed, to respond to requests to appear and testify before any duly constituted committee of the Senate?

Yes.

COMMITTEE ON ARMED SERVICES FORM

FINANCIAL AND OTHER INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Information furnished in Parts B through F will be retained in the committee's executive files and will not be made available to the public unless specifically directed by the committee.

NAME: Kathleen A. Buck.

PART B—FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all business connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Has anybody made a commitment to employ your services in any capacity after you leave government service?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Is your spouse employed and, if so, where?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART C—POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients or customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflict of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Explain how you will resolve any potential conflicts of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.)

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Do you agree to provide to the committee any written opinions provided by the General Counsel of the agency to which you are nominated and by the Attorney General's office concerning potential conflicts of interest or any legal impediments to your serving in this position?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART D—LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Have you been investigated, arrested, charged or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county or municipal law, regulation or ordinance, other than a minor traffic offense? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Have you or any business of which you are or were an officer ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you ever been convicted (including a plea of guilty or nolo contendere) of any criminal violation other than a minor traffic offense?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Please advise the committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART E—FOREIGN AFFILIATIONS

1. Have you or your spouse ever represented in any capacity (e.g., employee, attorney, business, or political adviser or consultant), with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. If you or your spouse has ever been formally associated with a law, accounting, public relations firm or other service organization, have any of your or your spouse's associated represented, in any capacity, with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. During the past ten years have you or your spouse received any compensation from, or been involved in any financial or business transactions with, a foreign government or any entity controlled by a foreign government? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you or your spouse ever registered under the foreign Agents Registration Act? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART F—FINANCIAL DATA

All information requested under this heading must be provided for yourself, your spouse, and your dependents.

1. Describe the terms of any beneficial trust or blind trust of which you, your spouse, or your dependents may be a beneficiary. In the case of a blind trust, provide the name of the trustee(s) and a copy of the trust agreement.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Provide a description of any fiduciary responsibility or power of attorney which you hold for or on behalf of any other person.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, executory contracts and other future benefits which you expect to derive from current or previous business relationships, professional services and firm memberships, employers, clients and customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you filed a Federal income tax return for each of the past 10 years? If not, please explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Have your taxes always been paid on time?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Were all your taxes, Federal, State, and local, current (filed and paid) as of the date of your nomination?

[Note: Nominee responded and the information is contained in the committee's executive files.]

7. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

[Note: Nominee responded and the information is contained in the committee's executive files.]

8. Have any tax liens, either Federal, State, or local, been filed against you or against any real property or personal property which you own either individually, jointly, or in partnership?

[Note: Nominee responded and the information is contained in the committee's executive files.]

(The committee may require that copies of your Federal income tax returns be provided to the committee. These documents will be made available only to Senators and the staff designated by the chairman. They will not be available for public inspection.)

SIGNATURE AND DATE

I hereby state that I have read and signed the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

KATHLEEN ANN BUCK.

This 3rd day of August, 1987.

Senator LEVIN. Thank you. Ms. Buck, in the corporate field, lawyers are becoming deeply involved in the concept of preventive law, working with the clients to identify and prevent illegal or questionable actions before they are consummated.

Based on your experience, what practices do you think you might initiate to get DOD's lawyers more involved in the policy process early, in order to provide such preventive law assistance?

Ms. BUCK. Well, I think that, of course, traditionally, one of the most important ways you can do that is to work closely with your clients, and in this case the other offices in the Department of Defense, to ensure that the lawyers are included in the discussions on any new policy issue at an early stage.

We also have some rather routine procedures for facilitating that as well, in that when a staffing package is circulated through the Department, we need to ensure that the lawyers have an opportunity to carefully review any policy issue for the legal ramifications involved.

Senator LEVIN. We have seen some difficulties in investigating and prosecuting the Marine Corps security guard cases, and some other cases involving fraudulent transactions.

Those cases have raised the question about the ability of some of our investigative and prosecutorial organizations to handle complex cases inside the DOD. My question is this.

Should the military services, with guidance from the OSD, consider forming specialized trial teams of experienced judge advocates to handle sophisticated cases that may be beyond the capabilities of local legal offices?

Ms. BUCK. I think that is certainly an idea well worth considering. And in fact, we have done that in certain respects. And the prime example that comes to mind is how we are handling certain kinds of fraud cases.

We have established a special unit, together with the Department of Justice, the Defense Procurement Fraud Unit, where we have built up a team of lawyers with specialized expertise on contract matters.

They work closely with the Federal Bureau of Investigation, the Defense Criminal Investigative Service, and the investigative agents in the military departments, to ensure that the types of cases that we are bringing are handled properly and in compliance with the law.

And that they are good cases, they are cases worthy of prosecution. I think that that type of example could be expanded to some other areas.

With respect to espionage cases, after I, as the Air Force General Counsel, noted that some problems had occurred in the Navy, one of the things that I did was to review the Air Force regulations to ensure that when an espionage case was being developed, that the lawyers were included in that case at an early stage.

In fact our regulations provide for that. I think that is the sort of thing that perhaps we could look at in terms of doing a Department of Defense-wide program.

Senator LEVIN. A question on the Court of Military Appeals. The judges of the Court of Military Appeals now serve for 15-year terms.

I am wondering whether or not you have any thoughts as to whether or not there should be a life tenure for judges on this court?

Ms. BUCK. Yes, sir. I have looked at the legislative proposal that has been introduced on making the Court of Military Appeals an Article III court, which would confer life terms on the judges in that court.

I have a number of questions about making the Court of Military Appeals into an Article III court. We have had a number of discussions among the military departments about that.

I think that all of the lawyers in the Department share the same views on that. That is, we have many questions regarding whether that would mean, for example, that the jurisdiction of the court would be expanded.

We have questions concerning the precedent that that would set, in terms of other specialized courts, such as the bankruptcy court or the tax court, whether they should also be Article III courts.

We have many questions, and as a result of that, we have set up a study group, and the Army is acting as the executive agent on

that study group. But we have Air Force representation on it, and I know the Navy also has representation as well as DOD.

And so we will be carefully considering that. I am sure we would be happy to share the results of that report with you.

Senator LEVIN. That would be fine. When the results are complete, could you send them on to the committee? We would appreciate it.

Can you tell us how the organizational relationships work among the lawyers in the Defense Department?

Can you, for instance, tell us whether or not the senior lawyers of the Department, such as the service General Counsels, the Judge Advocates General, and the General Counsels of the Defense Agencies, are bound by the DOD General Counsel's rulings?

Ms. BUCK. Yes, sir. My legal opinion on that is that they are bound.

Senator LEVIN. And how is it ensured that the rulings, that all of their rulings are consistent with the DOD General Counsel's rulings? What is the mechanism to ensure consistency?

Ms. BUCK. Well, that is done in a number of ways on major issues. For example, a Department of Defense directive would ordinarily be issued that would be developed within the Office of General Counsel of the Department of Defense.

Then it is sent out and is binding on the military departments, although they are permitted to issue implementing regulations to implement that directive. And so it is through the directive process that you can ensure that people act consistently.

In addition to that, we have normal working relationships, and we have monthly meetings where the JAGs and the General Counsels get together. Within the Office of the Secretary of Defense, we also have monthly meetings where we discuss major issues and that is with the defense agencies. There are many ways we go about doing that.

Senator LEVIN. Now, there are a number of lawyers in the Department who are not serving in legal positions, but who from time to time have purported to speak with authority on legal issues.

What steps can be taken to ensure that the legal advice of the General Counsel and other legal officers of the Department is not undermined by persons who are not in legal positions, but who happen to be lawyers?

Ms. BUCK. Yes, sir. I think that is a good point. That would certainly trouble me.

As the chief legal officer of the Department, I think that one of your primary responsibilities is to make sure that the legal issues are looked at properly. That can only be done if it is done through the oversight process under the General Counsel.

As I indicated, I think that that can pretty effectively be done through the coordination process. On any major decisions that are being made, those decisions are reported in writing and we have an opportunity to specifically sign off on those packages. And that process must continue.

In addition to that, I hope that my long experience of working within the Department will be of help to me in making sure that we do not have, not nonlawyers, but lawyers who are not part of the law offices of the Department making any such decisions.

I think that the Secretary will fully support me on that.

Senator LEVIN. All right. If you would keep your eye open particularly for that problem.

And my last question is, will you upon request of this committee or its subcommittees come to testify?

Ms. BUCK. Yes, sir.

Senator LEVIN. Senator McCain.

Senator MCCAIN. I would like to congratulate you, Ms. Buck, on your appointment. You are obviously enormously well-qualified for this position, and I have every confidence that you will perform your very difficult duties with great efficiency.

Ms. Buck, have you made yourself familiar with the War Powers Act?

Ms. BUCK. Yes, sir.

Senator MCCAIN. Do you believe that, in your opinion, in your personal opinion, that the War Powers Act has been triggered, so to speak, by recent events in the gulf?

Ms. BUCK. Well, as the Air Force General Counsel, I am not privy to all of the facts that would come up in terms of the Persian Gulf.

And I am familiar with the War Powers Resolution in general. But in my current capacity, I really do not have access to all of the facts.

Senator MCCAIN. Do you believe that the War Powers Act is Constitutional?

Ms. BUCK. I have some serious reservations about the constitutionality of various provisions of the War Powers Act, specifically those provisions which deal with the withdrawal of forces.

Nonetheless, I think that the War Powers Resolution does address a very important aspect of the relationship between the executive branch the legislative branch of Government, in that it does provide for reporting, and that is something that I support.

I think it is important for the executive branch to keep the legislative branch well-informed on important events and operations. I would certainly continue to support that, if I become General Counsel.

Senator MCCAIN. If you have questions about the withdrawal aspects of the resolution, would it be in your personal opinion in our best interests to go ahead and test this in court?

Ms. BUCK. My preference would be that we try to work together to perhaps draft some amendments to the law that would establish a more workable situation.

I would like to work with you on doing something like that, rather than to force an issue that I think that we could deal with into the courts.

Senator MCCAIN. Well, I think in a perfect world that would probably be a good idea.

But the way things seems to exist now, we spent an incredible amount of time arguing this issue and debating in a very divisive fashion, I might add, on the floor of the Senate.

And I think that perhaps it is time for us to go to court. And maybe we could get on to some more productive endeavors.

I have no more questions, Mr. Chairman. Again, my congratulations, and I look forward to working with you.

Ms. BUCK. Thank you.

Senator LEVIN. Thank you, Senator McCain. Not only is Ms. Buck a highly-qualified candidate, but her testimony that she thinks the executive and legislative branches can get together and work out a few little amendments proves that she is also an optimist. [Laughter.]

Senator Exon, who happens not to be a lawyer, but many of us are encouraging him to go to night school to get a law degree. [Laughter.]

We know deep in his heart how much he would really love to be a lawyer. [Laughter.]

Senator Exon.

Senator EXON. The record is already distorted beyond belief, Ms. Buck. [Laughter.]

I enthusiastically support your nomination, and I am sure there will be no difficulties whatsoever.

I think some of the questions that have been posed by the chairman and followed up on by Senator McCain are some of the legal concerns on the minds of many of us today.

I for one feel that we should have a clarification of the War Powers Act. This need is something that is not going to go away.

And I happen to think that the Congress and the executive branch must appear somewhat ludicrous today in the eyes of the general public. War Powers is an important issue.

It seems to me that we should be either clarifying it, as you have suggested. Even though there are grave differences of opinion in that area, I think your suggestion of maybe working out something by amendment is something worth pursuing.

It seems to me that, putting the Persian Gulf aside, if history has taught us anything it has taught us that the War Powers Act is something that deserves the attention of both the executive and the legislative branches.

And if we cannot resolve them, then I suggest it should go to the third branch of Government, the judiciary, for determination. And why it has been that no court test has ever been initiated on this matter is something that I do not quite understand.

Maybe there are some legal reasons why an action has not been brought. But I happen to feel this is something that is going to divide the executive and legislative branches for a long time to come.

I do not know where the line should be drawn between the rights of the Commander-in-Chief and the responsibility of Congress. As a former Governor, I recognize that the Commander-in-Chief, in the form of the President, has to have some leeway to act, and I thought that the War Powers Act was one of those items that made an awful lot of sense.

In fact, as you will remember very well, it was passed over the veto of a former President of the United States, and every President, Democrat or Republican, has opposed it. It is not a politically partisan issue.

So I think either the Congress should repeal it, or amend it so that we can have a clarification of it. From what you have testified to here this morning, I suspect that probably you agree with the statements I made.

I want to go into something a little bit further and give you a chance to expound, if you could, on something the chairman brought up in his opening line. And that is with regard to what seems to be a considerable degree of chaos, or confusion, or maybe both, surrounding the recent well-publicized case with regard to the marines assigned to the Moscow embassy.

I think that was one of the more unfortunate episodes in our history. As a layman and not a lawyer, trying to read the press reports as to what did or did not happen, I became thoroughly, thoroughly confused.

I think that the sensitive information that is in our embassies, not only in Moscow but around the world, has to be much better protected than it obviously was. This relies heavily on the adequate screening of our security personnel.

When we get down to the matter of prosecution, I do not feel that that situation was handled very well, and we do not want a repetition of these things in the future.

I am just wondering how you feel how this can be improved upon and better handled, if they should happen again tomorrow.

Ms. BUCK. Sitting, of course, where I am right now as the Air Force General Counsel, I have not actively worked with the Navy in that case, but rather, like you, I am in a position of reading the newspaper reports.

But in reading the newspaper reports, I was very concerned. I think that there is no type of case in the Department that is more important for us to handle properly than an espionage case.

And one of the things that I would like to do is to sit down with the Navy to go over exactly what happened in that case, and look at how we might improve the handling of those cases in the future, whether any administrative action is appropriate, and whether there are some lessons learned that could be used Department-wide.

Senator EXON. Do I take it from your statement that you would not have any direct input into recommendations as to how such cases would be handled?

Ms. BUCK. Well, right now, I am in the Air Force. And so I have a great deal to say about how we do those things internally within the Air Force. But I do not, with respect to the Navy.

But in my prior life I was Assistant General Counsel at the Department of Defense, and of course the Department of Defense General Counsel's office has a great deal to do with the handling of espionage cases, if they choose to.

And I think that, based upon the reports that I have seen, it is important to take a look at that situation and make sure that some of the problems that occurred do not occur again in the future.

I think it is absolutely appropriate for the Department of Defense General Counsel to look at that situation, and make sure some of those things do not happen again.

Senator EXON. Thank you very much, Ms. Buck. I hope you will. No further questions. Thank you, Mr. Chairman.

Ms. BUCK. Thank you, sir.

Senator LEVIN. Thank you, Senator Exon. Just one word on the War Powers Act. Senator Exon and Senator McCain have raised

some very, very important questions which really require a lot of thought.

Senator Exon's point that, if we do not enforce it or do not amend it, we ought to at least get it to the courts, may require us to actually amend the law, to get it to the courts, to give someone standing, or to give courts jurisdiction to decide it.

I believe, and my memory may be way off on this, but I think Senator Baker at one point proposed an amendment that would have facilitated a court resolution of this.

Do you have any thoughts on that? I know you would prefer us to get together and amend it. And again, I think that is probably a bit optimistic.

But assuming we try to get together to amend the law, in order to work out a new relationship, and assuming that failed, would you support action to get this to court, whether by amendment or some other action between the executive and legislative branches?

Ms. BUCK. Sir, my personal philosophy is that I considered going to the courts as really the last resort.

Senator LEVIN. Well, how many more decades, or how many more police actions, or how many more years go by before we are at that last resort?

We keep pushing off the day, and we keep getting into these conflicts.

Ms. BUCK. My strong preference would be to try to work with you, with respect to the amendments, and then if that failed—

Senator LEVIN. If that failed, would you support getting us to court?

Ms. BUCK. Well, if various members go ahead and file suit, then we would get into a responsive position, in any event.

Senator LEVIN. I was not talking about what your action would be in defense of an action. I was talking about amending the law to facilitate a resolution, or in taking action in other ways to facilitate a court resolution.

What would your position be on that?

Ms. BUCK. Well, as I said, I would prefer not to go to court generally on these matters, but to try to resolve this situation in some other way.

Of course, I recognize that the judicial branch is there to deal with many of the important legal issues that face the country. And if that is the only recourse, then that is the way it must be.

Senator LEVIN. I think the public as well as all of us probably deserves a resolution of this issue, and we should not just continue to push it off.

You are the one testifying here today, not me. But my own view is, after seeing what we have seen now over so many years and so many unresolved disputes between the executive and legislative branches, that if we cannot resolve it legislatively with the President, working out a situation we can all live with, that we have got to do something about a law that is on the books.

It breeds disrespect for the law to have a law on the books that sits there and is not followed, or is arguably not followed in a number of situations such as we now have. But you do not have to respond to that.

Senator EXON. Could I ask one question, Mr. Chairman? We have to get over and vote in 6 minutes, so I am going to ask for a brief legal opinion from both of you who are qualified lawyers.

And although there have been some difficulties from time to time between lawyers and myself, in a friendly sort of a way, all my life I have sought free legal advice. [Laughter.]

That is the cheapest kind of legal advice that I have been able to find out.

Is there no way, seriously, is there no way that the President of the United States can bring legal action to test the constitutionality of the War Powers Act? We dance around that, but is there no legal way that could happen? And I am asking both of you.

Ms. BUCK. There have been ways of testing the constitutionality of various statutes. That certainly is possible, even from the executive branch.

But I think the President's view, based upon everything that I have read, is that he would prefer to be in a position of trying to cooperate with the Congress and providing the information that the Congress needs, in order to make the decisions.

Senator EXON. Well, that is a nice way of putting it. But, I mean, I do not know that that solves the problem.

Senator LEVIN. I will give you the answer on the elevator. The answer is yes, the President can do it real easily. He does not want to do it, though. For obvious reasons.

But I will give you all of that free advice. It is worth as much as you pay for it, as the old saying goes.

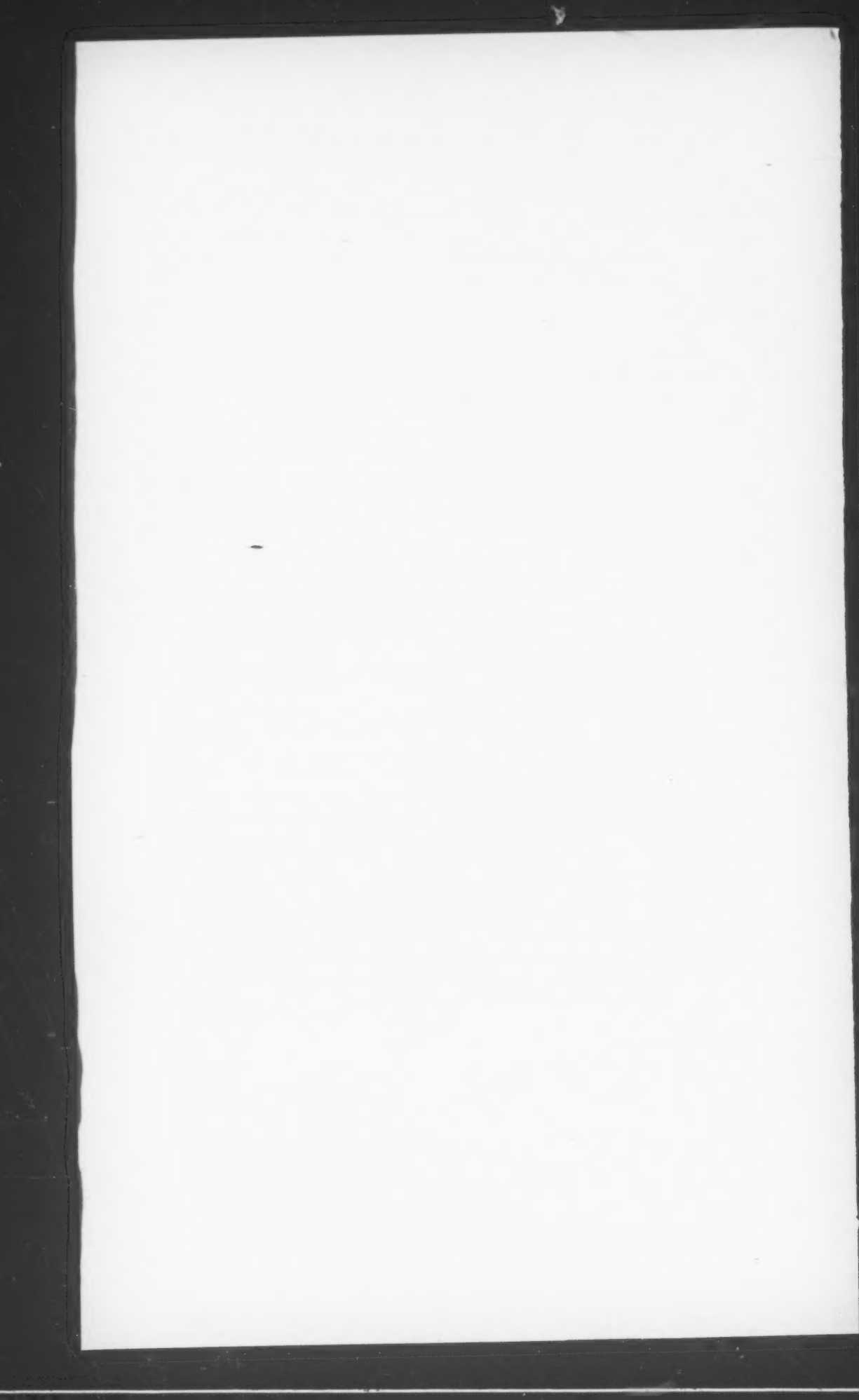
Staff informs me that they have reviewed all of the pertinent information, that the nominee has no conflict of interest or appearance of such conflict of interest, and that, as necessary, all appropriate arrangements have been made in this regard.

Ms. Buck, to you and your husband and your son, we are delighted that you are here. And maybe Adam can stand up there just for one second. This is your son. We would all like to meet him, because we know he does not get here every day. Who won the game? Your mother or us? [Laughter.]

It is nice to have you all here. Congratulations.

[Whereupon, at 9:25 a.m., the hearing was adjourned.]

[The nomination of Kathleen A. Buck was reported to the Senate by Senator Sam Nunn on October 20, 1987, with the recommendation that the nomination be confirmed. The nomination was confirmed by the Senate on October 23, 1987.]



NOMINATION OF JUNE GIBBS BROWN TO BE INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE

WEDNESDAY, OCTOBER 14, 1987

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The committee met, pursuant to notice, at 8:30 a.m., in room SR-222, Russell Senate Office Building, Senator Jeff Bingaman presiding.

Present: Senators Nunn, Warner, and McCain.

Staff present: Arnold L. Punaro, staff director; Carl M. Smith, staff director for the minority; Jeffrey H. Smith, general counsel; Patrick A. Tucker, minority counsel; Andrew S. Effron, counsel; Jonathan L. Etherton and Ronald P. Kelly, professional staff members; and Pamela G. Powell, staff assistant.

Also present: Jeffrey B. Subko, assistant to Senator Exon; Charles C. Smith, assistant to Senator Dixon; Donald A. Mitchell, assistant to Senator Glenn; William J. Wight, assistant to Senator Warner; Alan Ptak, assistant to Senator Gramm; Samuel J. Routson, assistant to Senator Symms; Patrick A. Putignano, assistant to Senator McCain.

OPENING STATEMENT BY SENATOR JEFF BINGAMAN, PRESIDING

Senator BINGAMAN. I will call the hearing to order.

The committee meets to consider the nomination of June Gibbs Brown to be the Inspector General for the Department of Defense. The post of Inspector General was created by the Department of Defense Authorization Act of 1983 in the midst of substantial concern about the integrity of the defense acquisition process. If confirmed, Ms. Brown would be the second person to serve in this position.

The Congress created the Inspectors General of the major departments of Government to establish independent and objective organizations responsible for audits, investigations, and the promotion of economy, efficiency, and effectiveness in Government programs.

The statutory authority of the DOD Inspector General was spelled out in great detail to ensure that he or she would not be restricted in addressing issues facing the military departments and defense agencies.

The Inspector General plays a particularly crucial role in the Department of Defense, where policy issues in the Department are decided in a highly charged atmosphere. When issues involve millions

and sometime billions of dollars, the rights of Government employees and private citizens, and even in matters of war and peace, there is obviously a great temptation to stretch applicable rules, statutes, and policies to the breaking point. The Inspector General serves a dual function, ensuring that the rules are developed to deter improper and illegal activity and that allegations of fraud, waste, and abuse are promptly and thoroughly investigated. This is obviously a challenging task.

The first Inspector General, Joseph Sherick, established a strong organization with a well-deserved reputation for excellence, integrity and a no-nonsense approach to audits, investigation, and program recommendations. The Deputy Inspector General, Derek Vander Schaaf, has maintained that high standard since Mr. Sherick's retirement.

Ms. Brown is well-prepared to build upon this strong foundation; she has served as Inspector General of the Department of Interior, with the National Aeronautics and Space Administration. Ms. Brown served in numerous Government positions and has earned advance degrees in both business and law. Since last December, she served as the Associate Administrator for Management at NASA.

Ms. Brown, we welcome you and look forward to your testimony. Before hearing from you, perhaps Senator Nunn would like to make an opening statement.

I believe that Senator Warner will be here sometime later and will make a statement at that point.

Chairman NUNN. We are pleased to have you here this morning. Thank you very much, Mr. Chairman. I appreciate you chairing this morning. I have another meeting that started at 8 o'clock and I have to get there at least for a few minutes before 9 and then I will be coming back.

You have a tremendous background for this position, and I am very gratified about that because it is an enormously important position. Everyone in the Congress has a solution to the procurement problems; the difficulty is that they do not all fit together in a neat, coherent package. The Inspector General plays a very large role in trying to maintain and to some extent restore confidence in the whole integrity of the system.

We will be looking to you with a great deal of enthusiasm in terms of your background, your ability, and your own professionalism. The confidence that Congress has in you to call the shots as you see them in an honest and objective way makes an awful lot of difference as to whether we try to legislate solutions to every problem, most of which do not lend themselves to a legislative remedy.

Good management and good oversight is very, very important in the Department of Defense, probably more than any other agency because it is unique in a sense that it is in the spotlight so much.

We do look to you for a lot of leadership and, of course, look forward to your statement. The main thing that I would be interested in as you make your presentation or answer questions is how you would approach the job and how you would distinguish the Department of Defense job from the previous Inspector General positions that you have held, if you do make those distinctions.

Senator BINGAMAN. Let me also indicate that I see your daughter Linda Gibbs is here. I met Linda before, and we are very pleased to have her here as well.

[The nomination reference of June Gibbs Brown follows:]

NOMINATION REFERENCE

AS IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
April 23, 1987.

Ordered, that the following nomination be referred to the Committee on Armed Services:

June Gibbs Brown, of Virginia, to be Inspector General, Department of Defense, vice Joseph H. Sherick, resigned.

[The biographical sketch of June Gibbs Brown, which was transmitted to the committee at the time the nomination was referred follows:]

June Gibbs Brown was appointed Associate Administrator for Management at the National Aeronautics and Space Administration (NASA) in December of 1986 with responsibility for headquarters administration and agency-wide resources support, facility operations, personnel programs, information systems and labor relations. Since March 1985, Mrs. Brown has been Vice President of Finance and Administration and Chief Financial Officer for System Development Corporation (SDC)—a Burroughs Company with responsibility for facility operations, real estate, accounting and payroll, and information resources management. She was a key figure in establishing the company's ethics and integrity program through the creation of a company "Hotline" with investigative and internal audit functions.

Mrs. Brown served as Inspector General at NASA from 1981 to 1985, with responsibility for all of the agency's audit and investigative activity. Prior to that she was the Inspector General for the Department of the Interior and served in that position from May 1979 to January 1981.

Previous to Mrs. Brown's appointments as Inspector General, she was a career federal employee, having held positions as Chief, Financial System Design in the Bureau of Land Management; System Design Project Manager in the Bureau of Reclamation; and as Director of the Audit Division for the Navy Finance Center. In the private sector her career included positions as Certified Public Accountant, assistant comptroller, university accounting instructor, and real estate broker.

Mrs. Brown holds a BA in business administration, *summa cum laude*, and an MBA from Cleveland State University. She also received a JD degree from the University of Denver School of Law and is a graduate of the Harvard Advanced Management Program.

Throughout Mrs. Brown's government career she has received numerous honors and awards. The Administrator of the National Aeronautics and Space Administration awarded her the NASA Exceptional Service Medal in March 1985. In 1980 the Comptroller General presented Mrs. Brown with the Financial Management Improvement Award, the only award sponsored by the Federal Government which specifically recognizes exceptional achievements in financial management.

Other recognition includes the Outstanding Services Award, National Association of Minority Certified Public Accounting Firms, 1980; the Outstanding Achievement Award, Association of Government Accountants, Denver Chapter, 1979; the Outstanding Contribution to Financial Management Award, Federal Executive Board, Denver Region, 1977; and the Career Service Award for Managerial Excellence, Cleveland Federal Executive Board, 1974.

Mrs. Brown is the Past-President of the Association of Government Accountants and was the 1984 Chairman of the Interagency Committee on Information Resources Management. She was on the Boards of Directors of the Federal Law Enforcement Training Center (where all federal law enforcement officials, except FBI, are trained) and the Interagency Auditor Training Programs, Department of Agriculture Graduate School. As Inspector General, she was also part of the President's Council on Integrity and Efficiency, where she chaired the Computer Committee and served on the Accounting and Auditing Standards Committee, the Communica-

tions and Awareness Committee, the Training Committee, and the Investigations/Law Enforcement Committee.

April 23, 1987.

[The Committee on Armed Services requires all individuals nominated from civilian life by the President to positions requiring the advice and consent of the Senate, and certain senior military officers as determined by the committee, to complete a form that details the biographical, financial and other information of the nominee. The form executed by June Gibbs Brown in connection with her nomination follows:]

UNITED STATES SENATE
COMMITTEE ON ARMED SERVICES

Room SR-222

Washington, DC 20510-6050

(202) 224-3871

COMMITTEE ON ARMED SERVICES FORM

BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF
NOMINEES

INSTRUCTIONS TO THE NOMINEE: Complete all requested information. If more space is needed, use an additional sheet and cite the part of the form and the question number (i.e. A-9, B-4) to which the continuation of your answer applies.

PART A—BIOGRAPHICAL INFORMATION

INSTRUCTION TO THE NOMINEE: Biographical information furnished in this part of the form will be made available in committee offices for public inspection prior to the hearing and will also be published in any hearing record as well as made available to the public.

1. Name: (Include any former names used).

June Gibbs Brown.

June Edna Gibbs (maiden name) 10/5/33 to 9/6/52.

June Janezic (former marriage) 9/6/52 to 1/1/75.

2. Position to which nominated:

Inspector General, Department of Defense.

3. Date of nomination:

April 21, 1987.

4. Address: (List current place of residence and office addresses.)

[Nominee responded and the information is contained in the committee's executive files.]

Office: NASA Headquarters, 400 Maryland Avenue, SW, Room 5143, Washington, DC 20546.

5. Date and place of birth:

October 5, 1933, Cleveland, Ohio.

6. Marital status: (Include maiden name of wife or husband's name.)

Husband: Ray L. Brown, separated since 1984.

7. Names and ages of children:

Ellen Rosenthal, 33.

Linda Gibbs, 32.

Victor A. Janezic, 30.

Carol L. Janezic, 29.

Sheryl Brown (stepdaughter), 32.

Gregory Brown (stepson), 30.

8. Education: List secondary and higher education institutions, dates attended, degree received and date degree granted.

School, address, from, to, degree:

Harvard Advanced Management Program, Harvard Business School, Boston, MA 02163, 1983, 1983, Cert.

University of Denver, School of Law, 200 W. 14th Avenue, Denver, CO 80204, 1975, 1978, JD.

Cleveland Marshall Law School, 1983 E. 24th Street, Cleveland, OH 44115, 1973, 1974.

Cleveland State Univ., 1983 E. 24th Street, Cleveland, OH 44115, 1971, 1972, MBA.

Cleveland State Univ., 1983 E. 24th Street, Cleveland, OH 44115, 1968, 1971, BBA.

9. Employment record: List all jobs held since or in the last 10 years, whichever is less, including the title or description of job, name of employer, location of work, and dates of employment.

12/86 to present, National Aeronautics and Space Administration, 400 Maryland Avenue, SW, Washington, DC 20546. Position: Associate Administrator for Management.

3/85 to 12/86, System Development Corporation (now Unisys), 8201 Greensboro Drive, McLean, Virginia 22102. Position: Vice President, Finance & Administration, CFO, Corporate Treasurer.

7/81 to 3/85, National Aeronautics and Space Administration, 400 Maryland Avenue, SW, Washington, DC 20546. Position: Inspector General.

2/81 to 6/81, Department of Interior, Office of the Territories, 18th & C Streets, NW, Washington, DC 20240. Position: Director, Program Evaluation.

5/79 to 1/81, Department of Interior, 18th & C Streets, NW, Washington, DC 20240. Position: Inspector General.

2/79 to 5/79, Department of Interior, 18th & C Streets, NW, Washington, DC 20240. Position: Special Assistant to the Secretary.

6/76 to 2/79, Bureau of Reclamation, Bldg. 67, Room 820C, Denver Federal Center, Denver, CO 80225. Position: Project Manager.

10. Government experience: List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above.

Board of Directors, 1984-1985, Federal Law Enforcement Training Institute, Department of Treasury, Glynco, GA 31524.

Board of Directors, 1984-1985, Interagency Auditor Training Program, Department of Agriculture, Graduate School, Washington, DC 20250.

Chairperson, Computer Committee, 1981-1985, President's Council on Integrity and Efficiency, OMB, Old Executive Office Building, Washington, DC 20503.

Chairperson, 1984-1985, Interagency Committee on Information Resources Management, General Services Administration, 18th and F Streets, NW, Washington, DC 20405.

Member, 1986-1987, President's Council on Management Improvement, OMB, Washington, DC 20503.

11. Business relationships: List all positions currently held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution.

None.

12. Memberships: List all memberships and offices currently held in professional, fraternal, scholarly, civic, business, charitable and other organizations.

Name in full, address, type, from, to, office held:

American Accounting Association, 5717 Bessie Dr., Sarasota, FL 33583, Prof., 1978, Present.

American Institute of Certified Public Accountants, P.O. Box 1001, New York, NY 10108-1001, Prof., 1976, Present.

American Society for Public Administration, 1120 G St., NW, Suite 500, Wash., DC 20005, Prof., 1986, Present.

Association of Federal Investigators, c/o First American Bank, N.A., 740 15th St., NW, Wash., DC 20005, Prof., 1981, Present.

Association of Govt. Accountants, Natl. Office, 727 S. 23rd St., Suite 100, Arlington, VA 22202, Prof.-Educ., 1972, Present, National President and others.

Harvard Alumni Association, Harvard University, Cambridge, MA, Frat., 1983, Present.

President's Council on Management Improvement, OMB, Old Exec. Ofc. Bldg., Wash., DC 20503, Prof., 1986, Present.

13. Political affiliations and activities:

(a) List all offices with a political party which you have held or any public office for which you have been a candidate.

None.

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 5 years.

None.

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$100 or more for the past 5 years.

None.

14. Honors and awards: List all scholarships, fellowships, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements:

1985: NASA Exceptional Service Medal, National Aeronautics and Space Administration.

1980: Financial Management Improvement Award, Joint Financial Management Program.

1980: Outstanding Service Award, National Association of Minority Certified Public Accounting Firms.

1979: Outstanding Achievement Award, Association of Government Accountants, Denver Chapter.

1978: Honorary Membership, Beta Alpha Psi (National Accounting Honor Society).

1977: Outstanding Contribution to Financial Management, Federal Executive Board, Denver Region.

1976: Service Award, Association of Government Accountants.

1975: Woman of the Year, Bureau of Land Management, Department of the Interior.

1974: Career Service Award for Managerial Excellence, Federal Executive Board, Chicago Region.

1973: Service Award, Association of Government Accountants.

1973: Sustained Superior Performance, Navy Finance Center.

1973: Outstanding Achievement Award, Navy Finance Center.

COLLEGE

1971-1972: Graduate Teaching Fellowship, Cleveland State University.

1971: Graduated *summa cum laude*, Cleveland State University.

1971: President's Award, Cleveland State University (University's Outstanding Graduate; class size 1800).

1971: Raulston Award, Cleveland State University.

1969, 1970 and 1971:

American Society of Women Accountants Scholarships.

Accounting Association Service Award, Cleveland State University.

Pentilicus (Honorary Society).

Alpha Chi (Honorary Society).

Business and Professional Speech Trophy.

15. Published writings: List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.

No commercial publications.

16. Speeches: Provide the committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated.

I have given numerous speeches on: (1) the IG Act and the creation of the first IG offices; (2) ethics for government employees and contractors; and (3) topics related to governmental accounting. However, I do not use a written text, but rather speak extemporaneously or from an outline.

17. Selection:

(a) Do you know why you were chosen for this nomination by the President?

I was selected based on: (1) my successful performance as IG, both of Interior and NASA; (2) my success as a manager (e.g., six of my former senior staff are currently Inspectors General); and (3) my formal education.

In addition, my experience in line positions in both government and industry has afforded me a balanced perspective for performing the inspector general function. I am aware of both the critical need for aggressive oversight and the absolute necessity for objectivity in exercising the authority and powers granted by Congress.

(b) What do you believe in your background or employment experience affirmatively qualifies you for this particular appointment?

Relevant Employment:

Inspector General experience: IG, Department of Interior; IG, NASA; Director of Audit, Navy Finance Center.

Government management experience: Director of Financial System Design, Bureau of Land Management; Project Manager—created the integrated Pay Personnel System currently used by Department of Interior and other agencies; Associate Administrator for Management, NASA.

Private sector experience: Vice President, Finance and Administration, System Development Corporation, a government contractor in the computer industry.

Education:

Bachelor of Business Administration (BBA), Summa Cum Laude; Major: Accounting Master of Business Administration (MBA), Juris Doctor (JD).

Certification:

CPA (Certified Public Accountant).

(For details see A-8 and A-9.)

18. Commitment to testify before Senate committees: Do you agree, if confirmed, to respond to requests to appear and testify before any duly constituted committee of the Senate?

Yes.

COMMITTEE ON ARMED SERVICES FORM

FINANCIAL AND OTHER INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Information furnished in Parts B through F will be retained in the committee's executive files and will not be made available to the public unless specifically directed by the committee.

NAME: June Gibbs Brown.

PART B—FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all business connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Has anybody made a commitment to employ your services in any capacity after you leave government service?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Is your spouse employed and, if so, where?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART C—POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients or customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Describe any activity during the past 10 years which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.)

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Do you agree to provide to the committee any written opinions provided by the General Counsel of the agency to which you are nominated and by the Attorney General's office concerning potential conflicts of interest or any legal impediments to your serving in this position?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART D—LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Have you every been investigated, arrested, charged or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county or municipal law, regulation or ordinance, other than a minor traffic offense? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Have you or any business of which you are or were an officer ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you ever been convicted (including a plea of guilty or nolo contendere) of any criminal violation other than a minor traffic offense?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Please advise the committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART E—FOREIGN AFFILIATIONS

1. Have you or your spouse ever represented in any capacity (e.g., employee, attorney, business, or political adviser or consultant), with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. If you or your spouse has ever been formally associated with a law, accounting, public relations firm or other service organization, have any of your or your spouse's associates represented, in any capacity, with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. During the past ten years have you or your spouse received any compensation from, or been involved in any financial or business transactions with, a foreign government or an entity controlled by a foreign government? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you or your spouse ever registered under the Foreign Agents Registration Act? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART F—FINANCIAL DATA

All information requested under this heading must be provided for yourself, your spouse, and your dependents.

1. Describe the terms of any beneficial trust or blind trust of which you, your spouse, or your dependents may be a beneficiary. In the case of a blind trust, provide the name of the trustee(s) and a copy of the trust agreement.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Provide a description of any fiduciary responsibility or power of attorney which you hold for or on behalf of any other person.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, executory contracts and other future benefits which you expect to derive from current or previous business relationships, professional services and firm memberships, employers, clients and customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you filed a Federal income tax return for each of the past 10 years? If not, please explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Have your taxes always been paid on time?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Were all your taxes, Federal, State, and local, current (filed and paid) as of the date of your nomination?

[Note: Nominee responded and the information is contained in the committee's executive files.]

7. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

[Note: Nominee responded and the information is contained in the committee's executive files.]

8. Have any tax liens, either Federal, State, or local, been filed against you or against any real property or personal property which you own either individually, jointly, or in partnership?

[Note: Nominee responded and the information is contained in the committee's executive files.]

(The committee may require that copies of your Federal income tax returns be provided to the committee. These documents will be made available only to Senators and the staff designated by the chairman. They will not be available for public inspection.)

SIGNATURE AND DATE

I hereby state that I have read and signed the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

JUNE G. BROWN.

This eighth day of May, 1987.

Senator BINGAMAN. If you have a statement that you would like to make, please go ahead, and then I will have a few questions.

**STATEMENT OF JUNE GIBBS BROWN, NOMINEE TO BE
INSPECTOR GENERAL, DEPARTMENT OF DEFENSE**

Ms. BROWN. Thank you very much.

I have a statement for the record, a short one, sir.

I only want to say that I look forward to serving in this position. I am very privileged to have been selected for it, and will do my best to serve well in that capacity if confirmed.

[The prepared statement of Ms. Brown follows:]

PREPARED STATEMENT BY JUNE GIBBS BROWN

Mr. Chairman, members of the committee, I have a brief formal prepared statement. However, I would like to note that I am honored to have been nominated for this position by the President. I hope to justify his trust in me through strong and reasoned service as the Inspector General of the Department of Defense.

As you know, I had the privilege of serving as the Inspector General of the Department of the Interior and the National Aeronautics and Space Administration. I have also served as a career Federal employee and worked in the private sector as an executive of a company that provides service and equipment to the Department of Defense. This combination of government and industry experience will be valuable should I be confirmed.

I look forward to leading the experienced and competent team of auditors, investigators, and inspectors which has been assembled by the first Inspector General, Joseph Sherick, and ably led since Mr. Sherick's retirement by the Deputy Inspector General, Derek Vander Schaaf.

I would be happy to answer any questions which you or the members of the committee may have.

Senator BINGAMAN. That is the kind of brief statement that we ought to have more of around the Senate.

Let me ask about an issue that we have taken an interest in here in the committee. In fact, we put some language in the defense authorization report to the legislation this year to deal with the problem of duplicative oversight, including duplicative audits. We have gotten the impression that there is a serious problem there.

To date, I think the response that we have gotten is that everyone recognizes the problem but nobody has a solution for it. Is this something that you have had a chance to look into or focus on?

I think we will, at some point, be looking to you for ways to deal with that problem.

Ms. BROWN. It is a problem that I am concerned about. I have not yet been able, of course, to get into substantive matters. There is an ongoing review of duplicate audits within the Department of Defense. The Office of the Under Secretary of Defense for Acquisition and the Assistant Secretary of Defense for Production and Logistics are working together with the IG office to find out the extent of the problem.

It appears at this point that much of what is thought to be duplicative audit coverage are other types of oversight activities, not

just audits. The problem still needs to be addressed. It is something that I have discussed with Secretary Weinberger. He expressed concern about that area and asked that I address it once I assume the position of Inspector General. So, I will be going further with that.

Senator BINGAMAN. Picking up on Senator Nunn's comments about the differences that you see in your function here in this position from what you have been doing both at NASA and at the Department of the Interior, could you elaborate on that a little bit? What is your perception of the different obstacles that you would face or the different parameters of the job that you are taking on?

Ms. BROWN. The contracting function is much more closely aligned with that of NASA than it was with the Department of the Interior, where we were addressing natural resource problems to a great degree. I think the major difference between NASA and the Department of Defense is, of course, size. The Department of Defense is a much larger organization, therefore, the oversight function is much larger. In addition to audit and criminal investigative activity, DOD has an inspection function.

I think that it will be a much more challenging management job with the staff of over 1,000 people to give direction and see to it that there is not duplication of efforts.

Another difference would be the policy setting responsibility for other audit and investigative activities within the Department of Defense. There are separate units set up to fulfill this function within the Inspector General office.

Senator BINGAMAN. As I understand it both in Interior and in NASA, the audit function, there is an effort to weigh the cost of performing audits against the benefits derived, and that tends to dictate the extent of the activity.

Is that something that in your view makes sense in the Department of Defense? Should we have some kind of cost benefit analysis of whether or not the number of audits make sense?

That seems to be something that is not in place, at least to my knowledge at this point, in the Department of Defense.

Ms. BROWN. There is a very careful analysis made of all the audit recoveries, as well as investigative recoveries. That is certainly one indicator as to whether you have the right number of people when you look at cost benefit, when you compare the cost of running such a function with what the recoveries are.

I feel it is only one measure of effectiveness. To be truly successful, we want to be sure that there is a significant deterrent effect and that we have taken preventative measures in order to avoid some of the problems that could cause great overruns or excessive costs of various types.

If we could avoid the need for recoveries, then we have probably done our job to the optimum, because there would be few, if any problems in the procurement system.

Senator BINGAMAN. Let me ask about the issues of congressional involvement. I think Congress is, of course, jealous of its rights to be informed about investigations and audits that have been completed and, also, to be informed on recommendations for changes in rules and statutes that you think are necessary to accomplish the goals that have been set out for your office.

Is this something that you feel comfortable with? I think that for the record, those of us here in the Congress would certainly like to be sure that you have no reservation about making that information available to us, as it is essential for policymaking here in Congress.

Ms. BROWN. Yes, sir. There is a statutory requirement, of course, to keep the Congress fully informed. That has been my policy in the past, and I would welcome the opportunity to send forward whatever information is useful.

Senator BINGAMAN. Senator Warner, we have already started. Would you like to make a statement at this point?

Senator WARNER. No, thank you.

Senator BINGAMAN. Let me ask you to give a general question, if you would. One of the issues that we have wrestled with here for the last few years is the reorganization of the Defense Department.

I would be interested in your thoughts as to the relationship that you have to the Inspectors General and auditors and criminal investigators in the military departments.

If you could describe briefly, what you see as your responsibility and authority in dealing with the Inspectors General of the services.

Ms. BROWN. The law provides that we provide policy direction and oversight of the various audit and investigative units within the Department. Particular units have been established in the Office of Inspector General that have that specific responsibility. The IG also has both oversight and operating responsibilities for follow-up work which traces each of the recommendations, not only from all the audit units within the departments but also from the GAO audits. There is a very active group that does this very conscientiously.

In the inspection area, we do not provide direct oversight to all of the military Inspector General activities within the Department, although the IG, DOD, meets regularly with the other Inspectors General so that they can coordinate and exchange information when it is appropriate.

Their mission, the traditional military Inspector General mission, is slightly different than that of the statutory Inspector General in the Department. They mainly study readiness, morale, compliance—the traditional roles within the Department, and they work for the command as sort of an extension of that command to be the eyes and ears of the commander, where as we have a responsibility to the Congress and the oversight responsibility as well.

Senator BINGAMAN. The DOD General Counsel provides legal advice to the Inspector General, as I understand it.

Ms. BROWN. Yes, sir.

Senator BINGAMAN. I guess on matters of general law, do you feel compelled to follow the legal advice of the General Counsel on interpretation of DOD statutes and regulations, or what is the relationship that you see between your position and the General Counsel's position?

Ms. BROWN. The General Counsel does provide the attorneys that give advice to the Office of the Inspector General. I looked into

that and spent some time discussing it with those legal advisors assigned to the office. It appears to have worked very well.

I have worked that way at the Department of the Interior with the General Counsel providing legal advice. At NASA, I had my own legal advisors. In both cases it worked fine. To the best of my knowledge at this point, I think that there is an advantage in the current arrangement, in that there are so many other legal issues that are at stake and being considered at any one time in the Department of Defense.

The fact that the attorneys serving the OIG have full access to and knowledge of that other material would be very helpful.

Senator BINGAMAN. I guess one slightly more pointed question is, if you disagree with the general counsel's legal interpretation of a statute or a DOD directive, what is your understanding as to what controls?

Ms. BROWN. I would feel free to get other legal advice. I do not feel confined to using only that source of information.

Senator BINGAMAN. Are there any particular procedures or programs that you instituted either at Interior or at NASA that you think ought to be considered for implementation in the DOD Inspector General's Office, anything that comes to mind at this early stage in your duties?

Ms. BROWN. In both cases, I had the auditors and investigators work together a little more closely than I think traditionally they have done in the Department of Defense. I think that both can be helpful to the other and enhance the others particular mission.

I would like to encourage that in the Department of Defense as well.

Senator BINGAMAN. Have you gotten in your work at NASA, into investigations as to the quality of work done by contract personnel on the Space Shuttle Program; is that something that you had responsibility for?

Ms. BROWN. Yes. In some cases we certainly did look into that as one aspect of broader audits.

Senator BINGAMAN. I will follow up on that after deferring to my colleague. I see that my time is up.

Senator WARNER. Mr. Chairman, I think that is a good line of questioning. I am privileged to know the nominee. I think that she is one of the most eminently qualified persons that has even been selected to go into this position.

I am pleased Mr. Chairman that you have scheduled this hearing. Go right ahead and continue your line of questioning. It is a good line of questioning.

Senator BINGAMAN. Let me just ask as a followup to the issue of investigation of the quality of work.

Could you describe in a little more detail what the scope of that investigation was, and whatever you can tell us about it that you think might be applicable to investigating similar issues in the Department of Defense?

Ms. BROWN. Are you speaking, sir, of the investigations at NASA?

Senator BINGAMAN. Yes. I just wondered if you have had experience there with investigating the quality of work performed by contractors working on the Space Shuttle, if you feel that procedures

followed or lessons learned there are going to be useful in making similar investigations in DOD?

Ms. BROWN. There were a great many such investigations and the same issues seem to come up regularly at DOD, such things as product substitution and cost mischarging. These are the kinds of problems that recur in any of the large defense or defense type procurements. NASA had that same type of procurement process.

Defense already has a very aggressive program in these areas, and I would anticipate continuing with that kind of aggressive pursuit of those issues.

One thing that was started about the time that I left NASA that I am interested in pursuing is the defense industry initiative. With these initiatives we work with industry for a self-governance program in which major contractors participate. It can have a tremendous deterrent effect and be very helpful to us in seeing to it that the contractors themselves take some of the necessary steps to eliminate problems before they occur.

Senator BINGAMAN. This is a program that you would hope to initiate, is that what you are saying, or do you want to build on what they already have going?

Ms. BROWN. It is a program that was recommended by the Packard Commission, and to which some 40 contractors have now subscribed. It is an ongoing program, and I would like to see it strengthened and continued.

Senator BINGAMAN. Could you describe briefly, the opportunities you have had to really be briefed and prepare yourself for this position? Have you had an opportunity to really meet with the folks that you are going to be overseeing and controlling, or is this all in the future?

Ms. BROWN. No. I have had the opportunity to spend some time at Defense during this period in order to prepare myself for the position. I have visited several of the Defense agencies; I have certainly met most of the IG staff; I have met the other Inspectors General and audit directors within the Department; and, talked to various officials at DOD.

I have not participated in or looked into any of the ongoing audits or investigations at the agency.

Senator BINGAMAN. All right. Let me ask you about the subpoena power that the Inspector General has. What are your general thoughts, if you have any general thoughts, about the appropriateness of using subpoena power?

Under what circumstances should the Inspector General use that subpoena power, particularly to examine a contractor's records?

Ms. BROWN. The subpoena authority that the IG has is for documents only. It is a very broad authority. I feel it should be used when the investigation itself is within the statutory authority of the Inspector General Office, and when the material is reasonably relevant to the issue.

As long as it is not unreasonably broad or burdensome to the contractor, and there is reason to believe that there is some problem, it would be appropriate to use the subpoena authority.

Senator BINGAMAN. Is the subpoena authority used as a last resort in your view, or is that something which would be a normal part of an investigation or your reviewing contractor's costs?

Ms. BROWN. It would be a normal part of the procedures used within the office. Without a subpoena there is a legal right to any documents that are available within the Government. With those outside the Government, contractors particularly, the normal course would be to use the subpoena authority for access to records when there is any doubt that they would be readily available.

Senator BINGAMAN. Once a case is worked up by the Inspector General it is then turned over to the Justice Department for prosecution, is that correct?

Ms. BROWN. Yes, if there are criminal aspects to it.

Senator BINGAMAN. If there is a criminal case?

Ms. BROWN. Yes.

Senator BINGAMAN. Do you know the extent or the number of cases that have actually been referred to the Justice Department for prosecution by the Inspector General, the extent of that?

Ms. BROWN. I do not have that exact number. I could provide it for the record. There are slightly more than, 1,000 active criminal cases at the current time being pursued in the Inspector General Office. How many of those will be referred to the Department of Justice will, of course, depend upon the substance of the case.

[The information follows:]

CRIMINAL CASES REFERRED TO DEPARTMENT OF JUSTICE

The investigative arm of the Inspector General, DOD, is only one of four criminal investigative organizations in the Department; it is referred to as the Office of the Assistant Inspector General for Investigations (OAIG-INV). The other three are the Army Criminal Investigation Command (CID), the Naval Security and Investigative Command (NSIC), and the Air Force Office of Special Investigations (AFOSI). Each of the four refers its own cases to an appropriate United States Attorney's Office or to an element of the Department of Justice such as the Defense Procurement Fraud Unit, other elements of the Criminal Division, the Antitrust Division, or the Public Integrity Section.

Statistics reported to the Defense Investigative Management Information System maintained by the Inspector Generals reveal that 2,236 cases involving 3,621 subjects were referred for prosecution between January 1983 and September 1987. These breakout as follows: CID, 445; NSIC, 794; AFOSI, 267; OIG, DOD, 730.

This does not include violent crimes against persons, drug related crimes, or cases prosecuted in military courts.

Senator BINGAMAN. In your previous positions with NASA and Interior was that also the same procedure there, that when you pursued an investigation that justified prosecution you would turn it over to the Justice Department?

Ms. BROWN. Yes, sir.

Senator BINGAMAN. What was the extent of that? Were there quite a few cases that did wind up being referred to the Justice Department for prosecution?

Ms. BROWN. The numbers were not similar to the Department of Defense at all, but we would have several dozen. At NASA there were several dozen within any given year that would be referred to Justice, and it would be the Department of Justice's choice whether or not to go forward with the prosecution.

In many instances, those cases were settled during that process of working with the Justice Department. Many times we would involve the Department of Justice at an early point in the case too, to get its opinion and to work with the Department to develop the case in accordance with its prosecutive interests.

Senator BINGAMAN. I have been dominating the time here. Senator McCain, did you have some questions for our nominee?

Senator MCCAIN. No, Mr. Chairman.

I think that the nominee is highly qualified. I congratulate her on her selection, and I look forward to working with her as she faces some very difficult challenges that lie ahead.

Ms. BROWN. Thank you, sir.

Senator BINGAMAN. We do have a few additional questions that I will just submit in written form. I would ask that you give us a written response to those, if you could.

Ms. BROWN. Yes, sir.

Senator BINGAMAN. You obviously come extremely well qualified and highly recommended. We look forward to very quick action by this committee. I think the procedure is that we need to have a quorum of the committee. And we will find one somewhere up and down the hall sometime here in the next few days. [Laughter.]

We wish you well in your new job. It is a very difficult and challenging job, but I think that you will obviously do very well at it.

Ms. BROWN. Thank you, sir.

Senator BINGAMAN. Thank you for being here.

Senator WARNER. We thank you, Mr. Chairman, for the hearing.

Again, I think that the individual is eminently well qualified. The Department very desperately needs her services, and I will encourage the chairman to look at the opportunity of the forthcoming vote on the Senate floor as being possibly the time to convene the membership of the committee as we have done in the past.

I think that we are real anxious to have this individual appointed, and we will see what we can do to save a few dollars for the American taxpayers.

Thank you very much.

Ms. BROWN. Thank you.

[Questions for the hearing record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR JEFF BINGAMAN

Senator BINGAMAN. Followup question on the relationship of the IG to DOD general counsel. When you said you would seek other legal advice if you disagreed with the general counsel—

Were you referring to issues involving specific audits and investigations, or do you believe the IG can disregard the views of the general counsel on issues of general departmental legal policy which do not involve specific audits, investigations, or oversight activities?

Ms. BROWN. Under a memorandum of understanding between the general counsel and the Inspector General dated August 16, 1985, legal services are provided to the Inspector General by an assistant general counsel and supporting attorneys assigned by the general counsel with the concurrence of the Inspector General.

In essence the memorandum of understanding provides that when the general counsel issues a legal opinion that the Inspector General disagrees with, the Inspector General may request independent legal advice from the assigned assistant general counsel in order to carry out the Inspector General's responsibilities under the Inspector General Act.

This procedure is applicable to all legal issues whether they involve specific activities or involve general departmental legal issues. I believe this procedure is sound in concept and assures that the views of the general counsel are given full weight without impinging on the independence of the Inspector General. In general, I believe that to the extent an issue involves broad departmental legal policy the more important it is to give great weight to the general counsel. However, if such a broad issue were involved and if the general counsel's view were not followed, I would fully expect that the differences would be aired to the Secretary of Defense and to

the Congress, so that such a matter would receive the attention it deserves and be resolved in a proper and orderly way.

Senator BINGAMAN. In the military, the concept of unlawful command influence generally precludes commanders and their superiors from affecting the discretion of others in the administration of military justice.

In your view, how should the Inspector General approach the evaluation of military justice policies, procedures, and punishments in a manner that provides useful advice without crossing over into unlawful command influence?

Ms. BROWN. I realize that unlawful command influence is an important and sensitive issue, and the Office of the Inspector General should avoid action which could support a conclusion that its findings and recommendations constitute "command influence."

I understand that in the past, the Office of the Inspector General has engaged in both specific and general reviews of issues affecting military justice. In certain specific cases, the Office of the Inspector General has served as the principal fact finder and made appropriate recommendations concerning disposition.

As part of the Inspector General oversight process, I believe it is appropriate to identify issues relating to military justice and to promote necessary changes. Sometimes this oversight may involve a recommendation of certain investigative techniques, such as the use of Inspector General subpoenas.

In this regard, the oversight of open investigations should be no different than that provided to matters being investigated for prosecution in Federal District Court. Our primary objective should be to maximize the effectiveness and quality of the investigation and not to interfere with judicial process whether it be under civilian laws or the Uniform Code of Military Justice.

[Whereupon, at 9 a.m., the hearing was adjourned.]

[The nomination of June Gibbs Brown was reported to the Senate by Senator Sam Nunn on October 20, 1987, with recommendation that the nomination be confirmed. The nomination was confirmed by the Senate on November 13, 1987.]

NOMINATION OF STEPHEN M. DUNCAN, TO BE ASSISTANT SECRETARY OF DEFENSE FOR RE- SERVE AFFAIRS

FRIDAY, OCTOBER 16, 1987

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The committee met, pursuant to notice, at 9:55 a.m., in room SR-222, Russell Senate Office Building, Senator John Glenn presiding.

Present: Senators Glenn, Exon, Warner, Thurmond, and Wilson.

Staff present: Arnold L. Punaro, staff director; Carl M. Smith, staff director for the minority; Jeffrey H. Smith, general counsel; Patrick A. Tucker, minority counsel; Andrew S. Effron, counsel; David S. Lyles and Frederick F.Y. Pang; professional staff members; and Pamela G. Powell, staff assistant.

Also present: Jeffrey B. Subko, assistant to Senator Exon; Phillip P. Upschulte and Milton D. Beach, assistants to Senator Glenn; Mark J. Albrecht, assistant to Senator Wilson; Alan Ptak, assistant to Senator Gramm; Samuel J. Routson, assistant to Senator Symms; Patrick A. Putignano, assistant to Senator McCain.

OPENING STATEMENT BY SENATOR JOHN GLENN, PRESIDING

Senator GLENN. The hearing will be in order.

The committee meets today to consider the nomination of Mr. Stephen M. Duncan, to be the Assistant Secretary of Defense for Reserve Affairs.

I understand that Mr. Duncan's family is in the audience. We have met them in the anteroom just a few moments ago. I would like for you to hold up your hands. We are happy to welcome his wife, Lue, two daughters, Kelly, a Midshipman Third Class at the Naval Academy, and Paige, a sophomore in high school.

We are glad to welcome you here today, too. It is an auspicious day for all of you here, a day of which you can be very proud.

Mr. Duncan has been nominated by President Reagan to fill a very important position on the staff of the Secretary of Defense.

The position to which he is being nominated is responsible for exercising overall supervision of Reserve component matters, something that this committee and the Subcommittee on Manpower, which I chair, have gone into in a lot of detail. That position includes manpower, operations, training, force structure, construction, readiness, mobilization, and related functions.

[The nomination reference of Stephen M. Duncan follows:]

NOMINATION REFERENCE

AS IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
August 7, 1987.

Ordered, that the following nomination be referred to the Committee on Armed Services:

Stephen M. Duncan, of Colorado, to be an Assistant Secretary of Defense, vice James H. Webb, Jr., resigned.

[The biographical sketch of Stephen M. Duncan, which was transmitted to the committee at the time the nomination was referred follows:]

Mr. Duncan was born in Oklahoma City, Oklahoma, on March 28, 1941. He graduated from the U.S. Naval Academy in 1963, receiving his B.S. Degree and a commission as Ensign, U.S. Navy. While a Midshipman, Mr. Duncan was selected to serve as Brigade Operations Officer, he participated in wrestling, and he was selected as a U.S. Representative to the Royal Navy (United Kingdom) as part of a Midshipman Exchange Program.

He served as a deck and watch officer aboard U.S.S. ESTES (AGC-12), an amphibious flagship which directed amphibious landings near Chu Lai, Vietnam in the Spring of 1965. He subsequently served as the Weapons Officer aboard U.S.S. CARONADE (IFS-1), the flagship of a division of four rocket ships (including three LSMR's) which provided close-in gunfire support to ground forces in Vietnam. His decorations include the Navy Commendation Medal (Combat "V"), the Combat Action Ribbon, the Republic of Vietnam Cross of Gallantry (Bronze Star), the Navy Unit Commendation and other citations and campaign medals related to his service in Vietnam.

In 1967, Mr. Duncan was appointed Assistant Professor of Naval Science at Dartmouth College where he taught Naval Engineering and Naval History in the Naval Reserve Officers Training Corps Unit. He received his Master of Arts Degree in Government from Dartmouth in 1969.

In 1969, Mr. Duncan transferred his commission to the U.S. Naval Reserve. He presently holds the rank of Captain, U.S. Naval Reserve. He has commanded two Naval Reserve units and he is a recipient of the Armed Forces Reserve Medal. He is a member of the Naval Reserve Association and the United States Naval Institute.

Mr. Duncan attended the University of Colorado School of Law and received his Juris Doctor Degree in 1971. He served as Assistant U.S. Attorney in 1972-73, during which time he prosecuted federal crimes committed within the State of Colorado. He has engaged in the private practice of law in Denver, Colorado, since that time. Since 1982, he has served as a partner in the Denver firm of Hopper, Kanouff, Smith, Peryam, Terry and Duncan. His practice has been concentrated in the trial and appeal of complex commercial disputes in both federal and state courts.

Mr. Duncan is a member of the Bar of the U.S. Supreme Court, the State of Colorado, the U.S. Court of Military Appeals and other federal courts. He has published articles in professional journals. He is a member of the faculty of the Trial Advocacy Institute at the University of Virginia Law School and in 1982 he was elected a Fellow of the International Society of Barristers. He has served as an elected member of the Board of Governors of the Colorado Bar Association, the Board of Trustees of the Denver Bar Association, and of other bar organizations. Mr. Duncan has also been active in a wide range of civic activities.

Mr. Duncan and his wife Lue have two daughters. Kelly (20) is a Midshipman Third Class at the U.S. Naval Academy. Paige (16) is a sophomore in high school. For several years the Duncans have made their home in Evergreen Colorado.

[The Committee on Armed Services requires all individuals nominated from civilian life by the President to positions requiring the advice and consent of the Senate, and certain senior military officers as determined by the committee, to complete a form that details the biographical, financial and other information of the nominee. The form executed by Stephen M. Duncan in connection with his nomination follows:]

UNITED STATES SENATE
COMMITTEE ON ARMED SERVICES

Room SR-222

Washington, DC 20510-6050

(202) 224-3871

COMMITTEE ON ARMED SERVICES FORM

BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF
NOMINEES

INSTRUCTIONS TO THE NOMINEE: Complete all requested information. If more space is needed, use an additional sheet and cite the part of the form and the question number (i.e. A-9, B-4) to which the continuation of your answer applies.

PART A—BIOGRAPHICAL INFORMATION

INSTRUCTIONS TO THE NOMINEE: Biographical information furnished in this part of the form will be made available in committee offices for public inspection prior to the hearing and will also be published in any hearing record as well as made available to the public.

1. **NAME:** (Include any former names used.)
Stephen M. Duncan.
Stephen Mack Duncan.
2. **Position to which nominated:**
Assistant Secretary of Defense (Reserve Affairs.)
3. **Date of nomination:**
August 7, 1987.
4. **Address:** (List current place of residence and office addresses.)
Residence: [Note: Nominee responded and the information is contained in the committee's executive files.]
Office: 1610 Wynkoop Street, Suite 200, Denver, Colorado 80202.
5. **Date and place of birth:**
March 28, 1941; Oklahoma City, Oklahoma.
6. **Marital Status:** (Include maiden name of wife or husband's name.)
I have been married to Luella (Rinehart) Duncan since March 13, 1965.
7. **Names and ages of children:**
Kelly Lue Duncan (19).
Paige Anne Duncan (15).
8. **Education:** List secondary and higher education institutions, dates attended, degree received and date degree granted.
(1) U.S. Grant High School, Oklahoma City, OK (1953-1959). Graduated in May 1959.
(2) United States Naval Academy, Annapolis, MD (1959-1963). Received Bachelor of Science Degree, June 5, 1963.
(3) Dartmouth College, Hanover, NH (1967-1969). Received Master of Arts Degree (American Government), June 1969.
(4) University of Colorado School of Law (1969-1971). Received Juris Doctor Degree, December 20, 1971.
9. **Employment record:** List all jobs held since college or in the last 10 years, whichever is less, including the title or description of job, name of employer, location of work, and dates of employment.
Dates of employment, name of employer (location), description of job/title, references:
1. Sept. 1982 to present: Hopper, Kanouff, Smith, Peryam, Terry and Duncan, 1610 Wynkoop St., Suite 200, Denver, CO 80202; Senior Litigation Partner in law firm; Ward E. Terry, Jr. (892-6003), Alan W. Peryam (892-6003), John P. Kanouff (892-6003), Thomas D. Birge (892-6003).
2. Oct. 1, 1984 to Sept. 30, 1986: U.S. Naval Reserve (Naval Reserve Civil Law Support Activity 118, 5151 Bannock St., Denver, CO 80216-5000); Commanding Officer of NR Civil Law Support Activity 118; RADM. Richard Young (913-764-3678) Com-

mander, Naval Reserve Readiness Command, Region Eighteen, 301 Navy Drive, Industrial Airport, Kansas 66031-0031.

3. Nov. 1979 to Aug. 1982: Morrison & Foerster, 3100 Columbia Plaza, 1670 Broadway, Denver, CO 80202; Litigation Partner in the Denver, Colorado office of this law firm; H. Jeffrey Bayless (575-3604) (now a Denver District Court Judge), Kenneth Fimberg (844-2081) (now Assistant U.S. Attorney in Denver, Colorado).

4. 1973 to Nov. 1979: Gorsuch, Kirgis, Campbell, Walker and Grover, 1401 17th St., No. 1100, Denver, CO 80202; Litigation Partner in the law firm; Charles E. Grover (534-1200), Roscoe Walker, Jr. (534-1200), Robert E. Warren (534-1200).

5. 1972 to 1973: United States Attorney for the District of Colorado; Assistant U.S. Attorney (criminal prosecution and representation of the United States in civil actions); William K. Hickey (866-4715) (251 E. 12th Ave., Denver, CO 80203), Richard J. Spefts (297-1214) (1441 18th St., No. 200, Denver, CO), Daniel J. Sears (322-7700) (36 Steele St., No. 210, Denver, CO).

6. 1970 to 1971: John P. Holloway, Resident Legal Counsel for the University of Colorado; Student Law Intern; John P. Holloway (492-8133) or Legal Counsel, University of Colorado Foundation, Boulder, CO.

7. 1969 to 1970: Boulder, Colorado, City Attorney's Office; Student Law Intern; Walter L. Wagenhals (989-5050), Suite 700 Union Tower, 165 S. Union Blvd., Lakewood, CO 80228.

8. Jan. 1967 to July 1969: U.S. Navy; Assistant Professor of Naval Science (NROTC Unit, Dartmouth College, Hanover, NH); Capt. William J. Hurst (603-643-3736) (presently residing at 11 Haskins Road, Hanover, NH), BGEN. O.K. Steele, USMC (202-543-2189) (presently residing at 126 F St. SE., Washington, DC 20003).

9. July 1965 to Nov. 1966: U.S. Navy; Weapons Officer aboard U.S.S. *Carronade* (IFS-1); Capt. Roy McCoy (presently residing in Sacramento, CA).

10. Dec. 1963 to June 1965: U.S. Navy; Deck Officer and Assistant CIC Officer aboard U.S.S. *Estes* (AGC-12); Unknown.

11. June 1963 to Dec. 1963: U.S. Navy; Various temporary duty stations; Unknown.

12. July 1959 to June 1963: U.S. Navy; Midshipman at the U.S. Naval Academy, Annapolis, MD; Superintendent, U.S. Naval Academy, Capt. Bill Busik, USN (Ret.) (301-263-4448) (Director, U.S. Naval Academy Alumni Association, Alumni House, 247 King George St., Annapolis, MD), Professor Thomas Boyajy (301-266-8773) (presently residing at 1874 Lindamoore Drive, Annapolis, MD).

10. **Government experience:** List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above.

(1) U.S. Navy (1959-1969).

(2) U.S. Naval Reserve (1969-present).

(3) Assistant United States Attorney, Denver, Colorado (1972-1973).

(4) Consultant to the Office of the Assistant Secretary of Defense (Reserve Affairs), (July 20, 1987-present.)

11. **Business relationships:** List all positions currently held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution.

Business relationships:

1. Partner (1982 to the present time) in Hopper, Kanouff, Smith, Peryam, Terry and Duncan (a law firm—partnership), 1610 Wynkoop Street, Suite 200, Denver, Colorado 80202.

2. President and sole shareholder of Stephen M. Duncan, Professional Corporation, 28110 Pine Drive, Evergreen, Colorado 80439.

3. Limited Partner in Broadway Drive Apartments, Ltd., in care of Tom R. Gay, General Partner, 9520 North May, Suite 361, Oklahoma City, Oklahoma 73120.

4. General Partner in Duncan and Kanouff, a Colorado General Partnership, 1610 Wynkoop Street, Suite 200, Denver, Colorado 80202.

Professional Clients:

I personally and currently provide professional legal services to the following business enterprises—clients:

Contacts Influential of Colorado, Inc.

Oceanic Exploration Company.

Ramona Manor Convalescent Hospital.

J & S Medical Group, Inc.

E.F. Hutton & Company, Inc.

Shearson/American Express.

Presidential Limousine, Inc.
 Lamar Savings Association.
 Lamar Financial Corporation.
 Cordillera Corporation.
 Grease Monkey International, Inc.

12. **Memberships:** List all memberships and offices currently held in professional, fraternal, scholarly, civic, business, charitable and other organizations.

U.S. Naval Academy Alumni Association.
 U.S. Naval Institute.
 Naval Reserve Association.
 American Bar Association.
 Colorado Bar Association.
 Denver Bar Association.
 International Society of Barristers (Fellow).
 Judge Advocates Association.
 Colorado Trial Lawyers Association.
 The Federalist Society.
 Dartmouth College Alumni Association of the Great Divide.
 University Club.
 Citizens for America.
 High Country Republican Club.
 The Denver Forum.

13. **Political affiliations and activities:**

(a) List all offices with a political party which you have held or any public office for which you have been a candidate.

I was the Republican nominee for the office of Colorado Attorney General in 1978. I served as an elected member of the Colorado Republican State Central Committee from 1974 to 1987. I served on the Executive Committee of the Jefferson County, Colorado Republican Central Committee from 1977 to 1982 and in 1987. I served as a Republican Precinct Committeeman from 1972 to 1976.

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 5 years.

I was a member of the Speaker's Bureau in the 1984 Colorado re-election campaign of President Ronald Reagan. I served as State Chairman of "Lawyers for Armstrong" in the 1984 re-election campaign of U.S. Senator William L. Armstrong. I was the Chairman of the 1986 and the 1984 election campaign of Colorado Representative Tony Grampsas (District 25). I was an elected member of the Colorado Republican State Central Committee from 1974 to 1987. I have served on the Executive Committee of the Jefferson County, Colorado Republican Central Committee in 1987.

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$100 or more for the past 5 years.

I have not kept specific records of my contributions to political parties or election committees during the past 5 years, but on the basis of the notes and records which I do keep, my best recollection and judgment is that my wife and I have made the following contributions of \$100 or more:

Date, recipient, amount:

April 1983: Colorado Republicans, \$100.

Nov. 1983: Club 250, \$250.

March 1984: The Armstrong (for U.S. Senate) Committee, \$100.

Aug. 1984: Mike Norton for Congress, \$100.

Aug. 1984: Ken Kramer Congressional Committee, \$100.

Nov. 1984: Colorado Republicans, \$100.

June 1985: Club 250, \$250.

Oct. 1985: Colorado Republicans, \$200.

May 1986: Committee to Elect Tony Grampsas (State Legislature), \$100.

Aug. 1986: Committee to Elect Sally Hopper (State Legislature), \$200.

Oct. 1986: Ken Kramer for U.S. Senate, \$200.

Oct. 1986: Club 250, \$250.

14. **Honors and awards:** List all scholarships, fellowships, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements.

1. I am the recipient of the following military decorations:

Navy Commendation Medal (with Combat "V").

Combat Action Ribbon.

Navy Unit Commendation.
 Republic of Vietnam Cross of Gallantry (Bronze Star).
 Republic of Vietnam Meritorious Unit Citation.
 Vietnam Service Medal (two campaign stars).
 Republic of Vietnam Campaign Medal.
 Armed Services Reserve Medal.
 National Defense Service Medal.
 U.S. Navy Rifle Expert Medal.
 U.S. Navy Pistol Expert Medal.

2. I was elected a Fellow in the *International Society of Barristers* on March 11, 1982. The requirements for Fellowship include among others, the following qualifications:

(1) "Such advocate shall, by virtue of his resourcefulness, courage, and other professional and personal qualities, have distinguished himself as outstanding in the field of advocacy, rather than demonstrating mere competence or average skill as an advocate";

(2) "[The advocate] must possess an 'av' rating in Martindale-Hubbell Law Directory"; and

(3) "Such advocate shall possess excellent character and integrity of the highest order."

The express purposes of the Society are "to honor the greatest advocates of this era in our legal profession, . . . to bring about a recognition by the Bar and by the public of advocacy as a distinct specialty, with the creation of proper standards as a condition precedent to the granting of recognition to one purporting to possess special skills in such specialty," etc.

3. Who's Who in American Law.

4. Who's Who in Colorado, 1976.

5. Selected as an Outstanding Young Man of America for 1977 (U.S. Jaycees).

15. **Published writings.** List the titles, publishers, and dates of books, articles, reports or other published materials which you have written.

1. Author: "Recent Developments Affecting Securities Litigation in Colorado," *The Colorado Lawyer* (the monthly journal of the Colorado Bar Association), July 1984.

2. Author: "Mighty Anachronism: The Brief But Pyrotechnic Life of IFS Division 93," *Shipmate* (the monthly magazine of the U.S. Naval Academy Alumni Association), November, 1983 (a copy is attached hereto).

3. Author: "Litigation and the Cash Tender Offer," *The Colorado Lawyer*, November, 1981.

4. Author: "Criminal Trespass on Military Reservations: Recent Developments in the Law of Entry and Re-Entry," *JAG Journal* (the semi-annual professional journal of the Office of the Judge Advocate General of the Navy, now entitled *The Navy Law Review*), Spring, 1975.

16. **Speeches:** Provide the committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated.

I have spoken several times over the years to various civic groups (e.g. Lions Club, Rotary Club, etc.) on general foreign and defense policy issues. I have also spoken to such groups on the federal (and Colorado) judicial systems. Formal copies of my remarks were not made and I do not recall any media reports about the talks. Usually, the talks were informational in nature and did not advocate particular positions.

17. **Selection:**

(a) Do you know why you were chosen for this nomination by the President?

I do not know with certainty. I assume and hope that I was chosen as the best qualified person interested in serving in this position.

(b) What do you believe in your background or employment experience affirmatively qualifies you for this particular appointment?

I am a graduate of the U.S. Naval Academy and I have received graduate degrees in both Government and Law. My military experience includes over 6 years of active duty as a Line Officer and almost 18 years of service as a drilling Reservist. I am a combat veteran of Vietnam and I have commanded two Reserve Units. My active duty for training as a Reservist has included joint duty assignments at the National Defense University and Lowry A.F.B. For two and one-half years I served as an instructor in a Reserve Officers Training Corps Unit. In my fifteen years of professional law practice I have developed good analytical skills and I believe that I have good judgment. I have great interest in, and I am informed about, the national security policies of the United States.

18. Commitment to testify before Senate committees: Do you agree, if confirmed, to respond to requests to appear and testify before any duly constituted committee of the Senate?

Yes.

COMMITTEE ON ARMED SERVICES FORM

FINANCIAL AND OTHER INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Information furnished in Parts B through F will be retained in the committee's executive files and will not be made available to the public unless specifically directed by the committee.

NAME: Stephen M. Duncan.

PART B—FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all business connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Has anybody made a commitment to employ your services in any capacity after you leave government service?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Is your spouse employed and, if so, where?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART C—POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients or customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.)

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Do you agree to provide to the committee any written opinions provided by the General Counsel of the agency to which you are nominated and by the Attorney General's office concerning potential conflicts of interest or any legal impediments to your serving in this position?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART D—LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Have you ever been investigated, arrested, charged or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county or municipal law, regulation or ordinance, other than a minor traffic offense? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Have you or any business of which you are or were an officer ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you ever been convicted (including a plea of guilty or nolo contendere) of any criminal violation other than a minor traffic offense?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Please advise the committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART E—FOREIGN AFFILIATIONS

1. Have you or your spouse ever represented in any capacity (e.g., employee, attorney, business, or political adviser or consultant), with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. If you or your spouse has ever been formally associated with a law, accounting, public relations firm or other service organization, have any of your or your spouse's associates represented, in any capacity, with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. During the past ten years have you or your spouse received any compensation from, or been involved in any financial or business transactions with, a foreign government or an entity controlled by a foreign government? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you or your spouse ever registered under the foreign Agents Registration Act? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART F—FINANCIAL DATA

All information requested under this heading must be provided for yourself, your spouse, and your dependents.

1. Describe the terms of any beneficial trust or blind trust of which you, your spouse, or your dependents may be a beneficiary. In the case of a blind trust, provide the name of the trustee(s) and a copy of the trust agreement.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Provide a description of any fiduciary responsibility or power of attorney which you hold for or on behalf of any other person.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, executory contracts and other future benefits which you expect to derive from current or previous business relationships, professional services and firm memberships, employers, clients and customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you filed a Federal income tax return for each of the past 10 years? If not, please explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Have your taxes always been paid on time?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Were all your taxes, Federal, State, and local, current (filed and paid) as of the date of your nomination?

[Note: Nominee responded and the information is contained in the committee's executive files.]

7. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

[Note: Nominee responded and the information is contained in the committee's executive files.]

8. Have any tax liens, either Federal, State, or local, been filed against you or against any real property or personal property which you own either individually, jointly, or in partnership?

[Note: Nominee responded and the information is contained in the committee's executive files.]

(The committee may require that copies of your Federal income tax returns be provided to the committee. These documents will be made available only to Senators and the staff designed by the chairman. They will not be available for public inspection.)

SIGNATURE AND DATE

I hereby state that I have read and signed the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

STEPHEN M. DUNCAN.

This eighth day of September, 1987.

Senator GLENN. I want to note that in reviewing your biographical sketch and other material that you have provided the committee, I believe you are professionally very well qualified for the position to which you are nominated, and I expect to support your confirmation.

You follow in the path of the Secretary of the Navy, Jim Webb, who previously held your position as the first Assistant Secretary of Defense for Reserve Affairs.

I think Jim set a very ambitious and purposeful direction for the Office, and I look forward to working with you and continuing the oversight this committee has over the many Reserve forces issues that have a very important effect on the combat readiness of our total force.

I have a number of questions that I want to go through with you. But before we go through them, I would like to ask any members of the committee who are present if they have any opening comments they would like to make.

Senator THURMOND, do you have any comments?

Senator THURMOND. Thank you, Mr. Chairman.

Mr. Chairman, I think Mr. Duncan has a very fine record. I think he is especially well qualified to fill this position and I will be glad to support him.

Senator GLENN. Thank you very much.

Senator EXON.

Senator EXON. I have no opening statement. But I will have some questions and a brief discussion with Mr. Duncan after he has finished his statement, Mr. Chairman.

Senator GLENN. Fine. Thank you.

Mr. Duncan, we would welcome any statement that you may have, either in its entirety or abridged, whatever your choice is. In either event, your entire statement will be included in the record.

STATEMENT OF STEPHEN M. DUNCAN, TO BE ASSISTANT SECRETARY OF DEFENSE FOR RESERVE AFFAIRS

Mr. DUNCAN. Thank you very much, Senator.

I hope I do not sound too conventional when I say with all sincerity this morning that I am honored and humbled to appear before this committee as the President's nominee to serve as Assistant Secretary of Defense for Reserve Affairs.

Having served with both the Active Forces and the Reserve Forces since I took the oath of office as a Midshipman at Annapolis in the summer of 1959, I recognize fully the responsibilities that I have been asked to assume.

I also understand the critically important position that the Guard and the Reserve occupy today in our national security policies and warfighting capability, and the very strong support which this committee has given to the Guard and Reserve.

When my predecessor appeared before the committee for his confirmation in April 1984, the Office of Assistant Secretary for Reserve Affairs had, of course, just been created. Concern was expressed at that time by some members of the committee that the Guard and the Reserve simply did not have an effective voice at major policymaking levels within the Department of Defense. My predecessor achieved that goal, and the Assistant Secretary for Reserve Affairs has been serving as an active member, as you know, of both the Defense Resources Board and many other senior policy groups within the Department.

As I see it, the first phase of development of the Office is over. Issues involving the Guard and the Reserve have been raised to new levels of attention in policy debates. During the course of the last 3 years, problems in the Guard and Reserve have been identi-

fied, and efforts to solve them have been undertaken. Many Guard and Reserve units have received invaluable and realistic training through overseas deployments. Data has been collected, which is being used and contributing significantly to policy decisions on equipment needs, morale, retention, training, attrition, other manpower issues, and the many other factors which affect Guard and Reserve readiness.

I hope to have the opportunity to lead this Office into what I think is going to be a very important second stage of development. In my opinion, there is much to be done.

The size, the importance, the missions, and the responsibilities of the Guard and Reserve have continued to grow. Since 1981, the Guard and Reserve have grown by more than 250,000 men and women, an increase of some 34 percent. Today, over one-half of the total Army and the great majority of the Army's combat support and combat service support forces are in the Army Reserve components. On September 6 of this year, the commander of an Army Reserve unit took command of the huge Army base at Fort Hood, TX, while Fort Hood regulars were in Europe for NATO exercises. As you know, Naval reservists served in the crew of the U.S.S. *New Jersey*, off the coast of Lebanon, and Air Force reservists flew missions to Grenada and provided mid-air refueling for fighter bombers engaged in the retaliatory operation against Libya.

If I am confirmed, I will continue to tell the story of the Guard and Reserve to the American people, and I yield to no one in my admiration of the qualities that prompted Churchill to describe the reservist as "twice a citizen."

My primary focus, however, will necessarily be on the combat readiness of the Guard and the Reserve. The importance of Reserve readiness to the credible deterrence of war and to the winning of war if deterrence fails, has never been greater. The Total Force doctrine is a reality, and we are continuing to increase our reliance on our ability to rapidly mobilize, to deploy, and to utilize combat ready Guard and Reserve units anywhere in the world. I understand the manpower and the other difficulties we face with complex, difficult, worldwide commitments in an era of severe budgetary constraints, and I pledge to you that I will consider any policy that will improve combat readiness. In the final analysis, the single question to which I believe the President, the Congress, and the American people must have an unequivocally affirmative answer, is: "are they ready?"

If I am confirmed by the Senate, Mr. Chairman, I will bring to my administration of Reserve Affairs a totally open mind on the needs and the capabilities of the Reserve components, and I will not hesitate to give to the President, Secretary Weinberger, and the Congress my best judgment on those matters. I further pledge to the committee that I will use all of my energies to ensure that the men and the women of the Guard and Reserve are fully trained and fully equipped to perform the difficult tasks which our Nation has placed before them.

I would be honored, Mr. Chairman, to serve as Assistant Secretary of Defense for Reserve Affairs, and I would be pleased to respond at this time to any questions you or the other members of the committee might have.

Senator GLENN. Thank you, Mr. Duncan, very much. I will lead off with a few questions and then other committee members will take up where I leave off.

First, would you agree to appear before this committee or any other appropriate committee of the Congress when summoned to do so to testify or respond to any questions on matters pertaining to your responsibility in the Department of Defense?

Mr. DUNCAN. Yes, sir.

Senator GLENN. Some people look at the position you are going into as a position of advocacy for the Reserve forces. You have described a little bit of your overall view here about what direction you hope to take in your new office. What do you view as the number one priority among the various Reserve forces issues, and how do you intend to address it?

Mr. DUNCAN. As I said, Mr. Chairman, the one that I see in the broad sense is combat readiness. All the other issues are important, but they are important as they relate to combat readiness.

We simply have to have combat readiness. If we are succeeding on many other issues and we don't succeed on combat readiness, we have failed. So that will be, in the broad sense, my first priority.

Senator GLENN. I would concur with you completely on that. We have looked into some of the readiness matters here and we have come a long way. But there is a long way yet to go in some of this.

We have an annual report that the Reserve Forces Policy Board makes to us and the Reserve Forces Policy Board for fiscal year 1986 indicated that 55 percent of Army Reserve units are not combat ready.

The Army depends on the Reserve to provide over 70 percent of its combat support and combat service support. We have viewed that as a major problem. We need strong action to address that.

Would you comment on that situation and what you plan to do about it.

Mr. DUNCAN. About the proportion of the combat service support and combat support elements in the Reserves?

Senator GLENN. The ones that are not ready.

The Reserve's own report to us indicated that 55 percent of Army Reserve units are not combat ready.

Mr. DUNCAN. I am well aware that a very high percentage of the Army's combat support and combat service support elements are in the Reserve, and, of course, from a readiness standpoint, the Department's policy is to make sure that those elements that are going to be deploying first are the first to be equipped. Equipment is only one measure of readiness; also important are the number of personnel, matching MOS skills with the proper jobs and so forth.

But one of my main interests is going to be to focus on readiness across the board, particularly on those elements that would be the augmenting forces and the first ones to be called to any conflict in the combat support and combat service support area.

Senator GLENN. You mentioned combat support and combat service support in particular. I was going to get to those and am glad that you addressed those.

They are of great concern to us, too, because the Army depends on the Reserve to provide over 70 percent—over 70 percent—of

combat support and combat service support. Without that kind of support, the Army does not move beyond about the first 30 days, or even 3 weeks, I would guess. So that is an extremely important area.

Now I'm not going to lecture you here this morning. You have already answered the question by saying that you want to put a lot of attention on that. But I would ask of you, just as an American, to please put a lot of attention in that area.

This committee is going to be following up on that and be working with you as closely as we possibly can.

For example, I got into this in the subcommittee some time ago. That same report I mentioned highlighted what we saw as almost a war stopper in medical support. The report indicated critical shortages of 7,100 doctors, 31,000 nurses, 73,000 medical technicians in the Reserve forces.

Have you had a chance to look at that at all? That is almost a war stopper as far as our overall combat capability goes.

Mr. DUNCAN. Well, of course, as a consultant—and I have been for a short period of time serving as a consultant—I have had access to some, but not to all data.

I am aware particularly that combat medical care has been a real concern of Secretary Webb. Suffice it to say that I am aware of that issue and I intend to look at it very closely as soon as I can.

Senator GLENN. Let me just pledge to you the support of this committee and our subcommittee also in this area in working out whatever problems are involved with this issue.

The distinguished Senator from California, Senator Wilson and I, have worked on these in the subcommittee. He chaired the subcommittee before I did. He was working on this issue and I have continued that work because it is so important.

The former Chief of Staff of the Army, General Shy Meyer, is quoted as saying, "The noodle has been pushed up the hill about as far as it can be in turning new missions over to the Guard and Reserve."

Do you think we may have gone too far? Since we are having some of these difficulties in combat support and combat service support, have you gotten into this enough yet that you have an opinion on whether we should be pulling some of those back into the regular forces, or do you think we have gone as far as we can go? Can the Guard and Reserve assume more of the responsibility than they have now, which is over 50 percent of our overall armed services under the total force concept?

Mr. DUNCAN. I am not really prepared today to address that question with a complete answer. But let me say, having been a reservist for 18 years, and also a regular active officer, I see no reason at all why a reservist cannot perform any mission, if given sufficient resources. But the question is, have they been given the sufficient resources—and not just equipment. That has been a big problem for years. But have they also been given training, realistic training, meaningful training, training that goes with their MOS and training that would be directly relevant to tasks they would face if called to active duty.

Senator GLENN. I don't question that at all. But my question is the shortage in the medical area where we don't even have the

people. We don't even have the people to train them or give them equipment. We are running shortages of 7,100 doctors, 31,000 nurses, 73,000 medical technicians. That is something that either has to be addressed or somehow we have to get that capability back into the regular forces because that comes close to being a war stopper.

Mr. DUNCAN. I agree that if that continues, it is a war stopper. I don't have any answers this morning, Senator, but I guarantee you that I will be looking at it quickly.

Senator GLENN. Okay.

The Navy recently deployed six minesweepers to the Persian Gulf. The minesweepers are assigned to the Naval Reserve. Now, reportedly, the Reserve members who comprise about 25 percent of the crew, did not deploy with the minesweepers and were replaced, for the most part, by active duty personnel.

Do you know the reason for this decision?

What does the action indicate to you about the effectiveness of the Department of Defense total force policy?

Mr. DUNCAN. I do not know the answer. I have not discussed it with Secretary Webb or anyone else. I would not read too much into that for the implications of the total force policy. I am reluctant to say that it is an isolated incident because I don't know what facts were considered by the decisionmakers who made that decision. As I said, however, I would be reluctant to read too much into it.

The total force policy has an awful lot of implications beyond one assignment of reservists, and I just don't know enough about that particular situation, sir.

I am not trying to avoid the question. I just don't know the facts.

Senator GLENN. I do not disagree with you at all. But it sends up a yellow flag of warning that we are going to be watching this issue.

If at the first time we have a deployment it is a Reserve ship, a Reserve force, or part of it, and it is activated for a certain purpose, and we suddenly have to replace a large percentage of the crew with regulars, then I think we want to know what the reasons for this are, so we know whether this same kind of thing is going to apply over a much broader mobilization in the future.

My time is up on this first round.

Senator Thurmond.

Senator THURMOND. Thank you very much, Mr. Chairman.

Mr. Duncan, the United States has placed an increased emphasis on the Reserve components over the years to help meet our defense commitments. We have not, however, placed sufficient emphasis on the necessary sealift and airlift that will transport Active and Reserve component forces in time of crisis.

Would you give us your thoughts on how we might improve our strategic lift capabilities?

Mr. DUNCAN. I am not prepared on that today, Senator. I have not been in the Department long enough to make any recommendations to you. But I certainly will look at that. Both sealift and airlift capability are serious concerns and have been discussed. I just have not been privy to all the discussions. Obviously, if we have combat readiness for troops but they cannot be taken from

the continental United States to Europe or any other war zone, we have not accomplished a whole lot.

So I understand that is a concern. Beyond that, I cannot offer any particular suggestions today. But I give you assurance that I will look at it promptly.

Senator THURMOND. In the past, the Congress has added funds to the Defense budget to purchase equipment for the Guard and Reserve units that was not in the President's budget submission. The Defense Department simply did not request enough, and the Guard and Reserve suffered as a result.

Senator Stennis and I have more or less led the movement here in the Congress, in the Senate, to provide more equipment for the Guard and Reserve.

Now I realize that our chairman, Senator Glenn, has raised that point, that it ought to be done in the subcommittee before it comes out to the main committee. If possible, that can be done. But what I am wondering is why do we have to do that? Why doesn't the Defense Department request enough? But they have not done it for the Guard and Reserve. They have not given them what they needed, so we have had to do it here in the Senate. Then the House went along, too.

If that continues, we will continue to have to do that, except we may start in the subcommittee, as Senator Glenn suggested. If we do add equipment and things here that the administration does not recommend, whatever administration is in power, I presume you would cooperate with the Congress in that respect?

Mr. DUNCAN. Absolutely. Yes, sir.

Senator THURMOND. Mr. Duncan, how do you propose to interface with the Office of Assistant Secretary for Force Management in matters involving Reserve forces personnel matters?

Mr. DUNCAN. That is an interesting question. I, of course, have not had an opportunity to work with Dr. Armor, who is the principal deputy of FM&P right now. I can see that there are some areas of what I would call concurrent jurisdiction between FM&P, and Reserve Affairs, where we have duties that require us to look at the same issue at the same time. For example, mobilization involves issues that FM&P would want to be involved in, and also issues that Reserve Affairs would necessarily have to be in.

I guess the simplistic first answer, Senator, is that I believe a lot can be accomplished by effective communication between the individuals involved, and I certainly intend to do all I can to make sure that the communication between the two offices is as good as we can make it. After all, we are all working in the same direction.

Beyond that, I am going to have to wait until I see exactly what problems there may be, to speak to them.

Senator THURMOND. Mr. Duncan, this committee has received numerous reports that training of the Reserve forces is a major problem. At the same time, the size of those forces continues to increase.

How would you propose we upgrade the training of our present Reserve forces so that they are fully trained for the mission they are now assigned?

Mr. DUNCAN. Generally, my reaction to training is this. I am concerned about whether we are doing all we can to make the

amount of time that our reservists have for training as meaningful as it can be.

It has been my experience in the Reserves that, while financial incentives play some role in attracting people to the Guard and Reserve, far more important than that is a feeling that they are performing meaningful training when they are taking time away from their professions, occupations, and families to go to Reserve drills and so forth.

So I am going to have a great deal of personal interest in making sure that we are doing everything we can to have as meaningful training as possible for all of our Guard and reservists, and to make sure that that training is relevant to the kinds of missions they would be asked to perform if called to active duty. I have some ideas along that line. I have not yet expressed them to anyone. But it is going to be one of my early areas of interest.

Senator THURMOND. Mr. Duncan, this is my last question.

Throughout the years there is always a fight for funds and allocations, and there is always a feeling there on the part of some of the Active Forces that they are so important that they ought to get the great priority, to the general neglect of the Reserves somewhat.

Now that we have a total force and the Reserves occupy a very important niche in that force and have important missions to perform, I presume you would fight in the Pentagon to see that the Reserves do get what they are entitled to in order to perform their mission in the total force.

Mr. DUNCAN. I take seriously, Senator, my charge, as set forth in the Department of Defense Directive which was issued after this office was created by the Congress. It charges me to be the principal staff assistant and advisor to the Secretary of Defense on Reserve matters with specific responsibility for exercising overall supervision of Reserve component matters.

So I can assure you that I will, with my loyalty to the Secretary, make sure that I can do everything that I can to ensure that he understands the needs and the capabilities of the Reserve components.

Senator THURMOND. Thank you.

I wish you success in your new position.

Mr. DUNCAN. Thank you, sir.

Senator GLENN. Thank you.

Senator Exon.

Senator EXON. Mr. Chairman, thank you very much.

Welcome, Mr. Duncan, to you and your fine family.

Mr. DUNCAN. Thank you, sir.

Senator EXON. Based upon our discussion the other day as well as your testimony here this morning, I enthusiastically support and endorse your nomination. I think you will have no difficulty with it whatsoever.

I just would like to clarify for the record some of the things that we talked about the other day because I think it is very important that we all understand the very key importance of the position that you hold. The opening statement by the chairman that 55 percent of our combat forces, are provided by the National Guard and the Army Reserve is very interesting to me as a former Governor for 8 years and therefore very much involved in Guard affairs as

commander of the Nebraska National Guard. I understand the unique role the Guard plays both within the States and for the Nation.

I was not one of those Governors who took the National Guard for granted as a ceremonial unit. They were very functional.

I recognize and still feel that they are a very important function of the State responsibilities in certain areas. Within the total force concept, the National Guard plays much more of a key role than it historically has in the overall national defense of the United States.

I guess my first question to you would be have you looked into and do you have any views at this time regarding the balance between the Active and Reserve Forces with regard to the new total force concept?

I ask that question because just putting a plan into place and not following through to see that it can perform the functions it is designed to do, in the case of a true national emergency, could get us into some serious difficulty one of these days if we are unexpectedly challenged.

Do you believe that there is a present balance between the Active and Reserve forces if this country should get into big trouble in a hurry?

Mr. DUNCAN. Senator, I am simply not prepared to say today whether I agree with the present balance or not.

I can tell you that I believe it to be an important part of my job to test, perhaps even challenge, assumptions that go into policy-making involving Reserve Affairs. So, if we are assuming that we can do something that we cannot, then I think I need to scrape the paint two or three layers to find out if we really can, and if we can't, then I need to determine what we really need to do to fix the problem.

So I will go into it with that attitude. I simply am not prepared to express today my opinion on the balance of the forces.

Senator EXON. I understand. I assumed that would be your attitude, and I think that is the right one at this time. I was just giving you some of the ideas and thoughts of some of us who have wrestled with this problem for a long time. We continue to be concerned about them.

I do hope in due course, Mr. Duncan, that you could give us a written statement, at least, in answer to the chairman's question—and I had that as one of mine—as to what happened when the Naval Reserve minesweepers were transferred to the gulf.

[The information follows:]

Question. What is the reasoning behind not using drilling Reserve members to crew the Naval Reserve minesweepers sent to the Persian Gulf?

Answer. Naval reservists are in continual training for mobilization to all fleet activities in support of the Total Force concept. Reservists are called upon to support fleet commitments and exercises on a routine basis. These personnel augmentations are on a voluntary basis, vice involuntary, to minimize disruptions to an individual's life. In the case of recent deployment of minesweeper to the Middle East Force (MEF), because of the high classification of the JCS intention to direct the deployment of minesweepers and the limited time available to solicit and process volunteers, the Navy deployed three Pacific Fleet (PACFLT) minesweepers on short notice without Selected Reservist (SELRES) crew members embarked. However a senior SELRES officer served on the accompanying ship for the transit of the three PACFLT ships as Transit Group Commander and Staff Operations Officer. In the

case of two Atlantic Fleet Naval Reserve Force (NRF) minesweepers which deployed several days later, there was more time, and Navy was able to solicit and process for active service 15 SELRES volunteers. Two senior SELRES officers served in the accompanying ship for that transit group serving as Transit Group Commander and Staff Operations Officer.

Question. Clarify the policy on the use of Reserve personnel assigned to Naval Reserve Force vessels, which are deployed to an operational area.

Answer. The Navy procedure on use of Naval reservists assigned to Naval Reserve Force ships deployed to an operational area is to encourage their voluntary service with the ships, provided it can be of sufficient duration to be economical and consistent with maintaining high ship readiness.

Question. How many NRF minesweepers have been assigned to the Persian Gulf? What was the composition of the crew (i.e., TARs, active Navy, volunteer drilling reservists) prior to deployment?; at the time they deployed?

Answer. Five NRF minesweepers have been deployed to the MEF, three from the Pacific Fleet and two from the Atlantic Fleet. The combined total manning for the ships was as follows:

PERSONNEL ASSIGNED

Ships, prior to deployment, at time deployed:

3 PACFLT NRF MSO's, 12 TAR/154 USN/55 SELRES, 12 TAR/193 USN/0 SELRES.

2 LANTFLT NRF MSOS, 8 TAR/96 USN/48 SELRES, 8 TAR/130 USN/15 SELRES.*

Question. Will the Navy seek volunteer drilling reservists to serve on the NRF minesweepers deployed to the Persian Gulf? What is the Navy doing to seek volunteers for NRF ships in the Persian Gulf?

Answer. The Navy is currently seeking and already has a number of volunteers for service in the MEF as relief crews aboard NRF minesweepers. A Naval Reserve Frigate will also deploy to the MEF with voluntarily recalled SELRES as a part of the crew.

There have been 10 Naval reservists from Naval Control of Shipping, security group, and intelligence units serving with the MEF since the first convoy operations commenced this summer. The Navy plans to expand the voluntary SELRES role to include special boat unit crews and any other areas where the service of Naval reservists will be helpful to our forces.

The Navy has recently announced a short-term active duty recall program for SELRES to support this initiative and is actively canvassing for volunteers to serve with our forces in the MEF.

Senator EXON. You know, I am not sure that it does a whole lot of good when we do things of that nature, unless there is a good and specific reason for it. We are trying, and I think we have been partially successful, at least, in convincing the Reserve forces that they are just not stand-ins, that they are not toy soldiers or toy sailors, but they are people who are every bit as important to the national defense of the United States as are the Active Forces.

So I was concerned about this decision because I felt maybe that it may have sent the wrong signal to the members of the Guard and Reserves. I think that is potentially a fatal flaw in the total force concept.

Maybe I should say it was a beginning test decision that we should correct now if it is wrong. We need to clarify the importance and role of all the Reserve components.

That takes us into an area of some dispute, and I do not like to dwell on disputes, and do not dwell on them. I have explained previously my dedication to the Guard and the concept and the important role that they play.

* Denotes 15 SELRES volunteers actually embarked. SELRES crew members from both Atlantic Fleet and Pacific Fleet NRF MSOs who did not embark remain assigned to their ship for mobilization purposes.

As you know, this Senator, with the able assistance of several members of this committee—notably Strom Thurmond, who was also a Governor and a commander of his Guard when he was the distinguished Governor of South Carolina—have been quite concerned about the ongoing difficulty that has arisen between the new total forces concept and the attitudes of some Governors with regard to taking their troops away from them, to use a phrase that I think may go through their minds.

I am not sure that the Governors understand that a significant change has been made and the National Guard is not the National Guard of the days of yesteryear.

I do not think that Governors should be involved in international policy decisions, and, therefore, I have been seeking desperately to work around the situation where we have a difference of opinion on Guard training between the Governors and the President of the United States. I don't think Governors should have anything to do with setting international policy.

Are you satisfied that under the present system or law, generally known as the Montgomery amendment, that the Commander in Chief has sufficient, determined, authority beyond any doubt to override a Governor when any Governor objects to use of "his" National Guard troops outside his State?

Mr. DUNCAN. As you know, Senator, the Department took essentially a neutral position on the issue of that particular amendment and the one which you proposed. I guess I really don't have an answer to that.

I am not sure in my own mind that enough time has passed to allow us to evaluate the question. I am aware of the issue. I am aware of the pros and cons. I am just not prepared to say that there has been enough experience, that I am aware of, to be able to respond on whether the Montgomery amendment is working or not.

Senator EXON. Mr. Duncan, I understand that, and I think that is entirely reasonable also. I do hope you will look into it because I happen to feel that this is an issue that has not gone away. I think it is going to be back with us again at some future time, beyond the term of the present President.

There are going to be other Presidents, there are going to be other Governors, there are going to be other disputes, and I think we should move to resolve it working in close cooperation together.

I would just add as a caution here some of the things that I see right now.

In actual fact, there was a recent action where the Governor of Ohio—I believe, Senator Glenn, it was in your State—had some objection, and the threat immediately came down from those "on high" here in Washington that, unless the Governor shaped up, the Ohio National Guard would not be given some of the training and some of the equipment that it needed.

That is the kind of action that we simply cannot afford, in this Senator's view. If the Ohio National Guard needs new tanks, it is my feeling that they need that from the national security standpoint, and that they should get that notwithstanding any dispute between the then-Governor and the then-President of the United States or the bureaucracy in Washington.

I guess what I am saying is I think it is tremendously important that we try to resolve this problem if there is one, and I think there is.

I think it is a vital issue that needs some more discussion and fair consideration. I hope you will give it this as we work forward together, all of us, for the good of the national security interest and all the Armed Forces of the United States.

Thank you very much, Mr. Chairman.

Senator GLENN. Thank you.

I would urge that you look at the Exon proposal. I personally have backed it because I think it is a good compromise between what some of the Governors see as their legitimate concerns about when and if the Guard is to be activated, and the national security concerns, as evidenced by the Montgomery amendment.

When this came up in my home State, my advice to our Governor was that he did not have any choice. It is the law. You can't pick and choose where you are going to go.

I cannot pick and choose whether I want to obey the income tax payment next April 15 and say that I won't pay it until I file a suit about its constitutionality. As I said, it's the law. If you want to try to change the law, change it. But, meanwhile, you don't have any choice.

But, having said that, I agreed with the Governor that some of this concentration on sending people to Honduras had a political overtone to it. We have been training Guard in other places overseas for a long time with adequate training. It didn't have to be Honduras, where there was at least a remote chance that people might get shot at.

So I was sympathetic to that view. But at the same time, there is no choice. They are ordered to go.

If you want to change the law to the Exon proposal, which I think is a good proposal, why I would urge you to look at that early-on in your tenure over there.

Senator Wilson.

Senator WILSON. Thank you, Mr. Chairman.

Mr. Chairman, with all due respect, because I share your intense interest in this subject, as my colleagues all know, I think it is more the judgment of those around this table than it will be Mr. Duncan.

Mr. Duncan, welcome.

I read your resume and I have heard about you enough to feel a very great confidence in your nomination.

I have a couple of points really that will follow on the chairman's comments with respect to the concern that he and I share—evidently you share it as well—on the very critical need to do something about the shortfall that we have in medical personnel.

I think it is a potential war stopper. I don't know whether you have yet had an opportunity to talk with Dr. Mayer, but if not, when you do, he will tell you that there is, in particular, a very great difficulty in providing surgical specialties that are so singularly essential in combat, and that the difficulty that we have, in terms of a peacetime force, in recruiting and retaining those surgical specialties that are essential is a problem that we have not yet overcome.

It seems to me that the only way we can realistically hope to overcome it is by the recruitment of those surgeons, those specialists, that we are going to acquire through some kind of Reserve program, one that takes cognizance of the demands on their time.

But I think that that is, of all of the particularly glaring problems that we face in an arena that is very generally troubling, the worst.

That is the worst. We really have to do something about it.

The fact of the matter is we cannot pay the surgeons anything like what they can earn in civilian practice, and the only way we are going to get them is by an appeal to their patriotism and by making it possible for them to participate, so that they can be ready to go.

I think if you have not yet had the opportunity to do so, you will want to familiarize yourself with what Dr. Mayer's thinking has been and what the Department is doing to try to quickly mobilize with that specialized manpower.

Mr. DUNCAN. In fact, Senator, that was what I was thinking of a few moments ago. Financial incentives are going to be very, very important for some elements of the Reserve components. But in the case of surgeons, particularly, those folks, every minute they are spending with Reserve components is a minute they are probably losing money. We are able to attract them because of their desire for patriotic service, and also for meaningful work.

We have to make sure that our management of those folks, in particular, gives them the opportunity to do something that is stimulating while they serve. Challenging work for those people, is going to be very, very important, and I am aware of that. I have talked to some of them.

Senator WILSON. In connection with that, although it is experiencing some other difficulties, the concept that Dr. Mayer has pushed with respect to CHAMPUS reform, the idea being that the more mundane cases, like some of the routine pediatric examinations, can be contracted out, and what we want to retain in the military hospitals are the interesting cases, that that will, in fact, hone the skills of the very people we have in short supply, as a cadre for a mobilization situation.

Let me dwell upon something else that has been touched on this morning.

I will say, in passing, that Chairman Glenn and I continue to be very much concerned with the so-called quality of life issues. In a time when we are pressed as hard as we are, typically what is going to suffer is O&M, Milcon. What that means is the backlog that we have in terms of supplying housing for military families is going to be aggravated because, as the existing stocks grow older, if they have to go out on the local economy once again, we will find it in many areas, and critically so in my State in California, the local economy is brutal in terms of the affordability of young, enlisted families, in terms of the kind of housing they need.

In the Fort Ord area, San Diego, Longbeach, around Pendleton, all up and down the State, we have very serious problems.

So, what I think we are facing here is a critically tough time.

In this regard, recognizing the kind of things that the chairman and I have been concerned about in terms of quality of life, typical-

ly enjoys a lesser priority. But we are now facing the possibility of a sequester, under which half of the shortfall, the \$23 billion, will have to come from Defense.

In this connection, as it relates to Reserve Affairs, we really have to make a very critical decision, a very tough decision, and choose the lesser of the evils, choose the less unwise of our options, as it relates to whether or not we are going to try to expand the force; that is, increase or even maintain insurance in the time of the concept of the total force, at the expense of having a kind of hollow Reserve, just as we had a hollow Army, with inadequate equipment, inadequate O&M. The question is between cutting that and deciding that we are going to have a smaller force.

Now, the President has more than tentatively made that decision by exempting from the Defense cut manpower. He is very much concerned about instruments.

With all due respect, I think that we need to question whether or not that is the way to go, because if we wind up with the people and without the equipment, and without adequate training for the people, then I question how wise it is to go that direction.

I personally am persuaded that we might do better to see that we have a smaller, better trained force. I don't like it. I don't argue that we are making wise decisions. What we are compelled to do is to elect between the less unwise of the options.

You can respond now because my time has expired.

Mr. DUNCAN. About the only response I would have, Senator, is that it is my understanding, with personnel being exempted, that a disproportionate amount of that cut, which I understand is something like \$11.5 billion or thereabouts, is going to come out of O&M budgets.

I really do not know the implications of that for the Reserves yet. I suspect that the implications may be different within each of the services, and I am not prepared to respond to that. But I certainly understand your concern about strength of numbers versus making sure they are fully trained and equipped, whatever the numbers are.

Senator WILSON. You are correct about varying from service to service in terms of the active end strengths. The only one to whom we gave an increase was the Navy, for reasons that I think are obvious.

But this overall problem will continue. It will persist. I am very much concerned that we not wind up with a lot of people on the rolls with broom sticks. That is overstating it a lot, I know. But I am concerned.

Thank you, Mr. Chairman.

Senator GLENN. Thank you.

The distinguished ranking minority member of the committee, the senior Senator from Virginia, is recognized.

Senator WARNER. Thank you very much, Mr. Chairman.

I am privileged to know the nominee, and I join with others this morning in thanking you, Mr. Chairman, and Chairman Nunn, for expediting this hearing.

I am most appreciative of the nominee and his family who are offering, once again, their service to the country.

You come eminently well qualified for this post. You succeed one of the finest men that ever held this post. The Congress takes a particular interest in this post because we created it.

Right, Mr. Chairman?

Senator GLENN. That's right.

Senator WARNER. We feel that the person holding that post is someone very special to our interest. You meet those qualifications.

Your wife and children reflect the dedication that you have given and will give to your country.

I also talked with the Secretary of the Navy yesterday. I am not sure some of these things are public, but essentially we have been discussing the utilization of Reserves in the Persian Gulf operations for some time. I am very sensitive to any involuntary callup. Secretary Weinberger and Secretary Webb have assured me that that will not occur.

I have a particularly vivid memory, although I volunteered at the time Korea broke out, of when I was in units where they were not all volunteers. I remember the dissention in those days. I don't want to see that return, absent a major reversal in international relations, which would necessitate involuntary callups.

On the positive side, volunteer Reserves are playing a critical role today in implementing the President's policy in the gulf by their participation in crewing ships going to and from the gulf. Others will soon follow, which I presume you are aware of, again, making it clear that it is all on a voluntary basis.

I urge you to continue that policy. But we will watch it very carefully here.

Mr. DUNCAN. Yes, sir.

Senator WARNER. But make it work, because it is a salute to the Reserve force for their willingness to step up and shoulder part of the heavy responsibilities now on Naval units by virtue of this commitment, this important commitment to the gulf.

On that point, you have taken an active role in the Reserves, and I presume that you and the Secretary of Defense, and to the extent the Congress should be involved, have decided on how you are going to handle that to avoid any conflict of interest. Am I correct in that?

Mr. DUNCAN. As far as my personal service in the Reserves?

Senator WARNER. Yes.

Mr. DUNCAN. I am assuming, Senator, and I have assumed since I learned that I may have the job, that I would simply have to leave the Reserve force during the tenure of my office.

Senator WARNER. Do you mean go to an inactive status?

Mr. DUNCAN. To a totally inactive status. I am not sure whether it is "Standby" or whatever. But I would feel more comfortable with that, even if it is not required. So I intend to do that. I am just not sure of the mechanics of it yet.

Senator WARNER. I would encourage you to look at that avenue, to avoid any perception of a conflict of interest.

Mr. DUNCAN. Yes, sir.

Senator WARNER. Your post is so important to the Nation that you don't need a little problem on the side, if one were to develop.

That is a further sacrifice that you and your family have to make. But apparently you are willing to do it.

Mr. DUNCAN. Yes, sir.

Senator WARNER. I wish you luck.

We will see you back over here from time to time.

Mr. DUNCAN. Thank you very much.

Senator GLENN. Yes, I am sure we will see more of you.

Just to clarify something here, Senator Exon asked for a letter on the minesweeper situation, and I know you are not in a position right now to respond. So if you could give us a letter back on that at your earliest convenience, within a few days. We are interested in the ongoing situation in the gulf.

Mr. DUNCAN. Yes, sir.

[The information follows:]

ASSISTANT SECRETARY OF DEFENSE,
Washington, DC, October 29, 1987.

Hon. JOHN H. GLENN,
Chairman, Subcommittee on Manpower and Personnel, Committee on Armed Services, Senate Russell Office Building, Washington, DC.

DEAR SENATOR GLENN: I would like to express my deep appreciation for the courtesy that you and the other members of the Armed Services Committee extended to my family and me, at the confirmation hearing on October 16, 1987. As you know, I was confirmed by the Senate on October 23, 1987. The President signed my commission on October 26, 1987, and I assumed office shortly thereafter.

More than five years ago, Secretary Weinberger succinctly captured the essence of the Total Force Policy when he observed that "we can no longer consider reserve forces as merely forces in reserve. . . . Instead, they have to be an integral part of the Total Force. . . ." The basic tenet of the Total Force Policy is that members of the National Guard and Reserve constitute the primary augmentation elements for active duty forces. I fully believe that the National Guard and Reserves are highly competent, professional combat forces which can perform a wide variety of missions, if sufficiently equipped, manned, and trained.

Since the October 16, 1987, hearing, I have inquired into the matter that was raised by the Armed Services Committee regarding the utilization of Naval Reserve and active duty personnel aboard the minesweepers in the Persian Gulf. The Navy has provided me with a full response to several questions, and I have attached the response for your review. I recognize and share the concern of the Committee about actions which appear to be inconsistent with the Total Force Policy. Now that I have had an opportunity to explore the matter, however, I believe my initial reaction to the question was correct and that the Committee should not read too much into the deployment of the minesweepers.

The circumstances of the deployment were not considered sufficiently critical to require any form of mobilization or even a recommendation to the President that he invoke his call up authority pursuant to title 10 U.S.C., section 673(b). It is true that Selected Reservists assigned to the three Pacific Fleet minesweepers did not accompany the ships when they were deployed. However, I am informed there was insufficient time available to immediately and securely solicit and process enough volunteer Selected Reservists for a quick reaction, highly classified deployment. Selected Reservists did serve as Transit Group Commander and Staff Operations Officer aboard the ship which accompanied those three minesweepers. Several days later, and because more time had allowed the solicitation and processing of additional volunteers, 15 Selected Reservists did deploy as crew members aboard the two Atlantic Fleet minesweepers. The Transit Group Commander and Staff Operations Officer for that deployment also were Selected Reservists. The Navy currently is seeking and already has obtained a number of Selected Reserve volunteers for service in the relief crews for the five minesweepers.

In addition, ten reservists from Naval Control of Shipping, security group, and intelligence units have been serving with the Middle East Force since convoy operations commenced. The Navy presently plans to expand the volunteer Selected Reserve role to include special boat unit crews and other areas of service. Plans also have been made to deploy a Naval Reserve frigate to the Gulf with Selected Reserve volunteers as part of the ship's company.

I am satisfied the Navy's actions were reasonable. I take no position on whether the actions were the most appropriate actions that could have been taken; but, I do not believe that the actions reflect, or should be considered to be, evidence of a lack of commitment to the Total Force Policy. The deployment of the minesweepers,

however, underscores the importance of the question of whether or not a particular military capability, which may be critical to contingency operations that do not require the President to exercise his statutory callup authority, should reside in National Guard and Reserve units exclusively.

Please be assured that I intend to be sensitive to any action which tends to undermine the vigor and effectiveness of the Total Force Policy.

Yours very truly,

STEPHEN M. DUNCAN.

Senator GLENN. A second area of great interest is one that has been mentioned several times here this morning.

I am very concerned and just want to reiterate what Senator Wilson has said and what he and I have worked on in the Manpower Subcommittee, about this medical support issue. That comes close to being a war stopper the way we are situated right now.

We have to make some very tough decisions on this committee over the next year or so. We either have to redress that problem through Reserves and get those people in there, or we have to make some other arrangement, such as giving that function back to the Regulars. But we cannot go on depending on a nonexistent force if war breaks out.

I repeat, we are 7,100 doctors, 31,000 nurses, and 73,000 medical technicians short in the Reserve forces. We have to do something about that.

We have discussed this issue for the last year and a half or so. You may need to come up with a lot of new, innovative programs.

I don't think money is the answer, as you pointed out. We raised the age at which doctors and medical people could come in up to age 47 this year, which is above the normal entry age. As you say, they have made some money; they are pretty well fixed. But would they mind coming back in and spending some time in the Reserve to fill in this gap.

I personally think we could raise that age to 50 or even higher. For example, I think a lot of doctors and other personnel would welcome the opportunity to be assigned to a ship for a 2-week cruise in the summertime.

I am sure that would be a source of great pride to some of those people when they come back and talk to their peers in the operating room. That is not without being an incentive in itself.

So maybe there are some other approaches that we could take on changing the age level and getting people into the Reserve where they would be guaranteed a deployment or a cruise in the summertime for 2 weeks.

We would be happy to work with you on any ideas that you may have in that regard.

But, short of some solution to this thing over the next year or so, we are going to have to make some other arrangements, because we cannot go on depending on a nonexistent force. That is what we have in the medical support area.

So, early in your tenure, after you are sworn in, I would hope we could get together and discuss this and come up with some innovative ideas, and work with you and your staff in addressing this problem. It has to be addressed, either with the Reserves or the Regulars, one or the other.

I am not looking for any big commitment from you except to indicate that that is a very basic problem that has to be fixed and fixed soon.

Mr. DUNCAN. I will pledge also that I am interested in any ideas and in unconventional thinking on that issue. We may have to come up with some creative ideas to solve that one. It is not immediately apparent how we can do that.

I did not mean to minimize the financial incentives at all, as I said before. That is important. But there have to be some other ways to bring those folks in.

We will make it an early priority, I assure you.

Senator GLENN. It might not hurt to go to the AMA or some of the doctors' organizations and ask what would be required to get your folks interested. Why not throw the ball into their court to see if they have any ideas. Maybe they don't. If they don't, then we will have to come up with the innovations.

But something has to be done. There is no doubt about that.

I have one other question.

A recent management study of OSD, completed by one of their study teams, made a recommendation that the three positions—the Assistant Secretary of Defense for Force Management and Personnel, the Assistant Secretary of Defense for Reserve Affairs, and the Assistant Secretary of Defense for Health Affairs—be organized under an Under Secretary of Defense for Personnel Resources.

Are you aware of the study and do you have any view on it at this point?

Mr. DUNCAN. I am aware of the study, Senator. I have not read the study, but I am aware of it, and I am aware of that particular recommendation. I am reluctant to reach a definite conclusion until I have had a chance to read it. But I would, I guess, make one observation.

There is a lot more that I see that goes into the Office of Reserve Affairs than just personnel resources. I mean, we are talking readiness, we are talking materiel, facilities, equipment, and lots of things other than pure manpower and personnel issues.

Second, a very important part of my job is exercising direct access to Secretary Weinberger, to give him my best judgment, which he can reject or take, but at least my best judgment on issues. To the extent that that particular proposal would somehow decrease that, I would be skeptical. But, having said that, I think I would like to see the study before I comment any further.

Senator GLENN. That is a good reply. I do not disagree with you at all. I am leery of such things as putting in another level of control somehow between the function and who makes the decisions. We have had too much of that through the years already.

So I am very sympathetic to your comment on that.

I have no other questions.

I have had no indications from anyone on this committee that there is any problem at all with your appointment. In fact, it is quite the opposite. People have spoken well, as Senator Warner did, about your qualifications and your background for this position.

Being in Washington all the time is going to give you some different winter sports activities than being in Evergreen, CO, I can guarantee you that. [General laughter.]

But if you and your family are willing to make that transition, then our blessings on you.

We will be reporting this out probably today. I don't know for sure, but I think we have several other nominations that have been held that we are going to vote on off the floor after the next vote. I don't know whether in this particular situation your nomination has to wait 3 days or not.

[Pause.]

I guess there is a requirement, a Senate requirement, that it lay before the Senate at least for 1 day. So it probably will not be voted out today, but probably early next week sometime.

I know of no objection and I think you can assume that you probably will be confirmed by acclamation.

So, we appreciate your comments today. We look forward to working with you in the future.

Mr. DUNCAN. Thank you very much.

Senator GLENN. The hearings are adjourned.

[Whereupon, at 10:45 a.m., the committee adjourned, to reconvene upon the call of the Chair.]

[The nomination of Stephen M. Duncan was reported to the Senate by Senator Sam Nunn on October 20, 1987, with the recommendation that the nomination be confirmed. The nomination was confirmed by the Senate on October 23, 1987.]

NOMINATION OF FRANK C. CARLUCCI TO BE SECRETARY OF DEFENSE

THURSDAY, NOVEMBER 12, 1987

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The committee met, pursuant to notice, at 2:05 p.m., in room SD-106, Dirksen Senate Office Building, Senator Sam Nunn (chairman) presiding.

Present: Senators Nunn, Exon, Levin, Kennedy, Bingaman, Dixon, Glenn, Wirth, Shelby, Warner, Thurmond, Humphrey, Cohen, Quayle, Gramm, Symms, and McCain.

Staff present: Arnold L. Punaro, staff director; Carl M. Smith, staff director for the minority; Romie L. Brownlee, deputy staff director for the minority; Jeffrey H. Smith, general counsel; Patrick A. Turner, minority council; Gerald K. Bankus, Robert E. Bayer, Robert G. Bell, Judith A. Freedman, John J. Hamre, Ronald P. Kelly, James R. Locher III, David S. Lyles, Norman G. Mosher, and Frederick F.Y. Pang, professional staff members; Colleen M. Getz, research assistant; and Pamela G. Powell, staff assistant.

Also present: Jeffrey B. Subko, assistant to Senator Exon; Gregory J. Weaver, assistant to Senator Levin; William J. Lynn, assistant to Senator Kennedy; Edward M. McGaffigan, Jr., assistant to Senator Bingaman; Charles C. Smith, assistant to Senator Dixon; Milton D. Beach and Donald A. Mitchell, assistants to Senator Glenn; Leon Fuerth, assistant to Senator Gore; Terrence Lynch, assistant to Senator Shelby; William J. Wight, assistant to Senator Warner; Robert P. Savitt, assistant to Senator Cohen; Henry D. Sokolski, assistant to Senator Quayle; Mark J. Albrecht, assistant to Senator Wilson; Alan Ptak, assistant to Senator Gramm; Samuel J. Routson, assistant to Senator Symms; and Patrick A. Putignano, assistant to Senator McCain.

OPENING STATEMENT BY SENATOR SAM NUNN, CHAIRMAN

Chairman NUNN. The committee will come to order. Our committee meets this afternoon to consider the nomination of Mr. Frank C. Carlucci III to serve as Secretary of Defense.

This is the seventh time Mr. Carlucci has been nominated to a position requiring Senate confirmation. This is a testament to his outstanding abilities and his distinguished career of Government service.

Mr. Carlucci is serving now as the Assistant to the President for National Security Affairs. But he is appearing today as the nominee to be the Secretary of Defense. We welcome you, Mr. Carlucci.

On behalf of the committee I extend a welcome also to your wife, Marcia. We are delighted to have you here today.

I hope that the committee will report your nomination expeditiously, if we do not run into a problem today or tomorrow. And I hope the Senate can act on it tomorrow or early next week.

I fully expect you to be confirmed. And that is the good news. The bad news is that the challenges facing you as the next civilian leader of the Department of Defense are going to be staggering. Let me point out a few of those hotspots, as I view them.

Foremost among these is the need to bring the defense budget into sync with fiscal reality. We must get more military capability from less spending. And we are going to have to do it in a period of unprecedented fiscal restraint.

The current 5-year defense plan of 3 percent real growth per year is based on what most recognize, in the Congress at least, as an unattainable level.

Our staff's calculations indicate that this 5-year plan of the Defense Department is \$300 billion higher than the level that would be available at a zero real growth rate in defense. And in the past 2 years we have not even been able to achieve a zero real growth rate.

We do not know what the final number will be this year. I know that you have been very involved in that and we hope it will be as high as possible. But I do not visualize that we are going to see a substantial difference in what we are dealing with in the committee.

It will take some tough decisions to get more defense from fewer dollars. It is also going to take some innovative ideas, like the early retirement of aging and marginal systems.

The aircraft carriers, *Midway* and *Coral Sea*, and other older systems, may have to be candidates for such early retirement. A major effort is needed to reduce the number of production lines for weapons systems. And I know we have talked about that on several occasions.

We cannot afford to spread scarce defense dollars over an excessive number of lines, buying fewer quantities of these systems at markedly higher prices. We need to look at the number of big, new starts that have substantial downstream costs.

We need to take a hard look at the size of the force structure itself, at the defense installation structure, including, of course, sensitive bases in this country, and even some abroad.

And we in the Congress, I think, are going to have to take a much harder look than we have ever before, including this year, at congressional add-ons to the defense budget. Some of those add-ons are to increase production efficiency, and I think are entirely justified. Others are of a more questionable nature. And we are going to have to look at those ourselves.

We must bring the defense budget into sync with reality, or we may go into the 1990s with a hollow military, and a hemorrhage of quality, of talent in our personnel. And that talent is very high today, and I hope we can maintain it.

A second challenge is the need to revise our military strategy to meet new threats and change military and political realities. The United States' defense effort is not reaching its maximum potential, as I view it, versus our adversaries, because of a less-than-coherent strategy.

The gap between U.S. security commitments and defense capabilities continues to grow. We need a vigorous resurgence in strategic thinking, to chart a new and stronger course for American security.

Those of us on this committee and on the House side who spent an enormous amount of time on the Defense Reorganization bill, including Senator Goldwater, who is no longer with us but who follows this very closely in private life, are all hopeful that the Defense Reorganization Act has already and will continue to act as a catalyst for a much more thorough review of our military strategy in the broad sense, that is, across service lines, then we have ever had before.

And that is something that we will have to watch carefully. But of course the Secretary of Defense himself will play a major role in that.

A third challenge is to forge a more direct link between the defense budget and the military strategy. There is a perception that is widespread, perhaps not completely justified but nevertheless it is widespread in the Congress, and I think in the country, that military service priorities and percentage increases in the defense budget, not strategy-based defense needs, have dominated the defense budget.

Thoughtful mission priorities will be critical in making the tough decisions in the current budget crunch. One of the major missions, NATO defense, poses a special challenge. NATO continues to outspend the Warsaw Pact as a whole, but there remains a decided conventional force imbalance between the Warsaw Pact and our Western NATO alliance.

Admiral Crowe testified this year that even after the U.S. defense buildup, which has been substantial over the last 6 to 7 years, trends in this balance between NATO and the Warsaw Pact continue to be adverse to NATO.

Concerns about the conventional imbalance have been further heightened by prospects for a treaty to eliminate all intermediate-range missiles.

Effective coalition efforts, such as cooperative defense weapons development, where Defense Deputy Secretary Taft and Secretary Weinberger have shown strong leadership, and improvements in conventional sustainability or other undertakings to redress this imbalance, I believe, have to be very high on the agenda of the new Secretary of Defense.

A fifth challenge relates to recent organization and management reforms mandated for the Department of Defense by the Congress and also by the recommendations of the Packard Commission, which were endorsed by the President.

We need to make the Department of Defense more efficient in peace and more effective in war. Although there has been a very strong consensus in the White House and the Congress for various reforms, the dramatic changes called for in the Packard Report,

which you are very familiar with and served as a part of that, and the Department of Defense Reorganization Act, these kind of changes will not occur without vigorous leadership from the Secretary of Defense.

So I know that is going to be a very strong challenge for you. And with your background, I am sure that that will be one of your priorities.

The last challenge I would iterate this afternoon is the formal, more meaningful partnership with the Congress. And we are all involved in that. And I hope it can occur.

For our own part, Congress needs to streamline our own procedures. We need to reduce congressional micromanagement. We think we have started on that this year. But we have a long way to go. And we need to tighten our own belts.

On the Department of Defense's part, there is a need to recognize that a strong national defense requires bipartisan cooperation between the executive and legislative branches. And we will not get a strong national defense if the executive branch submits a defense budget and tells the Congress to take it or leave it. That is not the way a partnership can effectively work.

Mr. Carlucci, you have your work cut out for you. You have come to this job with a superb background. And you especially have your work cut out for you, because there is not an awful lot of time left in this administration.

But I can assure you that this committee will attempt to assist you in all of your efforts as you try to meet these very formidable challenges. We welcome you here today. Senator Warner, we welcome any comments you may have.

Senator WARNER. Thank you, Mr. Chairman. I think we had best get on with the hearing. I join you in welcoming this distinguished American and his lovely wife, both of whom I have been privileged to know for many, many years.

I have worked with Frank Carlucci on problems that cover the full spectrum of those we meet each day in this city. I anticipate, as you stated, Mr. Chairman, that the Senate will welcome an early confirmation for this distinguished gentleman.

Chairman NUNN. Thank you, Senator Warner. If there are no other opening statements here, we will go directly to Mr. Carlucci and welcome you for any statements you may have.

[The nomination reference of Frank Carlucci III follows:]

NOMINATION REFERENCE

AS IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
November 5, 1987.

Ordered, that the following nomination be referred to the Committee on Armed Services:

Frank C. Carlucci, of Virginia, to be Secretary of Defense.

[The biographical sketch of Frank C. Carlucci III, which was transmitted to the committee at the time the nomination was referred follows:]

BIOGRAPHICAL SKETCH OF FRANK C. CARLUCCI

Frank C. Carlucci was sworn in as Assistant to the President for National Security Affairs on January 2, 1987.

Mr. Carlucci had been Chairman and Chief Executive Officer of Sears World Trade, Inc., since October 1984, after serving as President and Chief Operating Officer since January 1983.

A retired Career Minister in the U.S. Foreign Service, Mr. Carlucci was born in Scranton, Pennsylvania, on October 18, 1930. He graduated from Princeton University in 1952. He served for two years as a Lieutenant (junior grade) in the Navy aboard the USS ROMBACH (DE-364). Thereafter, he attended the Harvard Graduate School of Business Administration and joined the Jantzen Company in Portland, Oregon, in 1955.

In 1956, Mr. Carlucci joined the Department of State as a Foreign Service Officer and was assigned, from 1957 to 1959, as Vice Consul and Economic Officer in Johannesburg, South Africa. He was subsequently assigned as Secretary and Political Officer in Kinshasa, Congo, for two years.

From 1962 to 1964, he was Officer-in-Charge of Congolese Political Affairs in Washington and from 1964 to 1965 was the Consul General in Zanzibar. From 1965 to 1969, he was Counselor for Political Affairs in Rio de Janeiro, Brazil.

Mr. Carlucci was appointed Director of the Office of Economic Opportunity in December 1970, after having served as Assistant Director of OEO from June 1969. He was then appointed Associate Director of the Office of Management and Budget and was later appointed Deputy Director. For the next two years, until 1974, Mr. Carlucci served as Under Secretary of the Department of Health, Education and Welfare, followed by appointment as Ambassador to Portugal. He returned to the United States in February 1978 and served as Deputy Director of Central Intelligence until January 1981. From February 1981 until January 1983, Mr. Carlucci served as Deputy Secretary of Defense.

His awards and honors include: Presidential Citizens Award, 1983; Distinguished Intelligence Medal, 1981; National Intelligence Distinguished Service Medal, 1981; Defense Department Distinguished Civil Service Award, 1977; Department of Health, Education and Welfare Distinguished Civilian Service Award, 1975; State Department Superior Service Award, 1972; and State Department Superior Honor Award, 1969.

Mr. Carlucci is married to Marcia McMillian Myers of Madison, Wisconsin, and has three children: Karen, Frank and Kristin.

[The Committee on Armed Services requires all individuals nominated from civilian life by the President to positions requiring the advice and consent of the Senate, and certain military officers as determined by the committee, to complete a form that details the biographical, financial and other information of the nominee. The form executed by Frank C. Carlucci III, in connection with this nomination follows:]

UNITED STATES SENATE

COMMITTEE ON ARMED SERVICES

Room SR-222

Washington, DC 20510-6050

(202) 224-3871

COMMITTEE ON ARMED SERVICES FORM

BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Complete all requested information. If more space is needed, use an additional sheet and cite the part of the form and the question number (i.e. A-9, B-4) to which the continuation of your answer applies.

PART A—BIOGRAPHICAL INFORMATION

INSTRUCTIONS TO THE NOMINEE: Biographical information furnished in this part of the form will be made available in committee offices for public inspection prior to the hearing and will also be published in any hearing record as well as made available to the public.

1. **NAME:** (Include any former names used.)

Frank Charles Carlucci III.

2. Position to which nominated:

Secretary of Defense.

3. Date of nomination:

November 5, 1987.

4. Address: (List current place of residence and office addresses.)

[Note: Nominee responded and the information is contained in the committee's executive files.]

The White House, Washington, D.C. 20500 (office).

5. Date and place of birth:

October 18, 1930, Scranton, PA.

6. Marital Status: (Include maiden name of wife or husband's name.)

Married to Marcia McMillian Myers Carlucci.

7. Names and ages of children:

Kristin Louise Carlucci, 7 (4/20/80); Frank Charles Carlucci IV, 24 (2/25/63); Karen Ann Carlucci Darroch, 28 (11/13/58).

8. Education: List secondary and higher education institutions, dates attended, degree received and date degree granted.

1944-1948 Wyoming Seminary, College Prep.

1948-1954 Princeton University, A.B. Public and International Affairs.

1954-1955 Harvard University Graduate School of Business.

9. Employment record: List all jobs held since college or in the last 10 years, whichever is less, including the title or description of job, name of employer, location of work, and dates of employment.

1987 to present: Assistant to the President for National Security Affairs, The White House.

1983 to 1987: Chairman, Chief Executive Officer, and President, Sears World Trade, Inc., 633 Pennsylvania Avenue, N.W., Washington, D.C.

1981 to 1982: Deputy Secretary of Defense, Department of Defense, Washington, D.C.

1978 to 1981: Deputy Director of Central Intelligence, Central Intelligence Agency, Washington, D.C.

1974 to 1978: U.S. Ambassador to Portugal, Lisbon, Portugal.

10. Government experience: List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above.

Chairman, General Advisory Committee on Arms Control, 1986.

Member, President's Blue Ribbon Commission on Defense Management, 1985-1986.

Chairman, The Commission on Security and Economic Assistance, 1983.

11. Business relationship: List all positions currently held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution.

None.

12. Membership: List all memberships and offices currently held in professional, fraternal, scholarly, civic, business, charitable and other organizations.

Council on Foreign Relations, member.

Princeton Alumni Association, member.

National Academy of Public Administration, member.

13. Political affiliations and activities:

(a) List all offices with a political party which you have held or any public office for which you have been a candidate.

None.

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 5 years.

None.

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$100 or more for the past 5 years.

Citizens for American Values, \$5,000 (1986).

Gradison for Congress, \$500 (1986).

Bobbie Kilberg (Virginia State Senate), \$250 (1986).

Cheney for Congress, \$1,000 (1985).

Friends of Marshall Coleman, \$300 (1985).

Richardson for Senator Campaign, \$400 (1984).
 Campaign Fund for Republican Women, \$150 (1984).
 Friends of John Warner, \$100 (1984).

For those years not listed above, there were no political contributions of \$100 or more.

14. Honors and Awards: List all scholarships, fellowships, honorary society memberships, military medals and other special recognitions for outstanding service or achievements.

Presidential Citizens Award, 1983.

Department of Defense Medal for Distinguished Public Service, 1983.

Department of the Army Decoration for Distinguished Civilian Service, 1983.

Department of the Navy Distinguished Public Service Award, 1983.

Department of the Air Force Decoration for Exceptional Civilian Service, 1983.

Distinguished Intelligence Medal, 1981.

National Intelligence Distinguished Service Medal, 1981.

Defense Department Distinguished Civilian Service Award, 1972.

Department of Health, Education and Welfare Distinguished Civilian Service Award, 1975.

State Department Superior Honor Award, 1969.

15. Published writings: List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.

[Nominee provided list which it is retained in committee file.]

16. Speeches: Provide the committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated.

[Nominee provided list which is retained in committee file.]

17. Selection:

(a) Do you know why you were chosen for this nomination by the President?

I believe the President chose to nominate me to serve as Secretary of Defense because of my diverse background in government service and direct experience in defense management and national security policy.

(b) What do you believe in your background or employment experience affirmatively qualifies you for this particular appointment?

In my opinion, the range of my prior experience in government—and particularly my prior position with the Department of Defense—serve as affirmative qualifications for this appointment.

18. Commitment to testify before Senate committees: Do you agree, if confirmed, to respond to requests to appear and testify before any duly constituted committee of the Senate?

Yes.

COMMITTEE ON ARMED SERVICES FORM

FINANCIAL AND OTHER INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Information furnished in Parts B through F will be retained in the committee's executive files and will not be made available to the public unless specifically directed by the committee.

NAME: Frank C. Carlucci III.

PART B—FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all business connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Has anybody made a commitment to employ your services in any capacity after you leave government service?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Is your spouse employed, and if so, where?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. If confirmed, do you expect to serve out your full term or until the Presidential election, whichever is applicable?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART C—POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients or customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Describe any activity during the past 10 years in which you have been engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.)

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Do you agree to provide to the committee any written opinions provided by the General Counsel of the agency to which you are nominated and by the Attorney General's office concerning potential conflicts of interest or any legal impediments to your serving in this position?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART D—LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Have you ever been investigated, arrested, charged or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county, or municipal law, regulation or ordinance, other than a minor traffic offense? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Have you or any business of which you are or were an officer ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you ever been convicted (including a plea of guilty of *nolo contendere*) of any criminal violation other than a minor traffic offense?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Please advise the committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART E—FOREIGN AFFILIATIONS

1. Have you or your spouse ever represented in any capacity (e.g., employee, attorney, business, or political adviser or consultant), with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. If you or your spouse has ever been formally associated with a law, accounting, public relations firm or other service organization, have any of you or your spouse's associates represented, in any capacity, with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. During the past 10 years have you or your spouse received any compensation from, or been involved in any financial or business transactions with, a foreign government or an entity controlled by a foreign government? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you or your spouse ever registered under the Foreign Agents Registration Act? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART F—FINANCIAL DATA

All information requested under this heading must be provided for yourself, your spouse, and your dependents.

Describe the terms of any beneficial trust or blind trust of which you, your spouse, or your dependents may be a beneficiary. In the case of a blind trust, provide the name of the trustee(s) and a copy of the trust agreement.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Provide a description of any fiduciary responsibility or power of attorney which you hold for or on behalf of another person.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, executory contracts and other future benefits which you expect to derive from current or previous business relationships, professional services and firm memberships, employees, clients and customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you filed a Federal income tax return for each of the past 10 years? If not, please explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Have your taxes always been paid on time?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Were all your taxes, Federal, State, and local, current (filed and paid) as of the date of your nomination?

[Note: Nominee responded and the information is contained in the committee's executive files.]

7. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

[Note: Nominee responded and the information is contained in the committee's executive files.]

8. Have any tax liens, either Federal, State, or local, been filed against you or against any real property or personal property which you own either individually, jointly, or in partnership?

[Note: Nominee responded and the information is contained in the committee's executive files.]

(The committee may require that copies of your Federal income tax returns be provided to the committee. These documents will be made available only to Senators and the staff designated by the chairman. They will not be available for public inspection.)

SIGNATURE AND DATE

I hereby state that I have read and signed the foregoing Statement and Biographical and Financial Information and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

FRANK C. CARLUCCI.

This 10th day of November, 1987.

STATEMENT OF FRANK C. CARLUCCI, ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS, AND NOMINEE TO BE SECRETARY OF DEFENSE

Mr. CARLUCCI. Thank you very much, Mr. Chairman and Mr. Warner, for your kind and challenging remarks. And it is a pleasure to be back before this committee.

I am deeply honored to have been nominated by the President to succeed Cap Weinberger as our Nation's 16th Secretary of Defense. As the President noted last week, the country owes a great debt to Secretary Weinberger for his contributions to our national security over the past 7 years. He has played a central role with the President and the Congress in rebuilding our defense capabilities, restoring pride in the Armed Forces, and in strengthening the respect for U.S. policies abroad. Though some occasionally complained about his tough-minded and persistent approach, those of us who have worked closely with Cap know that this is only a reflection of his steadiness of purpose and strong character, his loyalty to the President, and his abiding commitment to important principles. These are the qualities that have made him such an effective member of the President's cabinet.

In the coming months, as you have indicated, Mr. Chairman, the Department of Defense will face many difficult issues. Continuing nuclear and conventional force modernization, while moving forward toward potential arms reduction agreements with the Soviet Union; sustaining our momentum in improvement of the defense acquisition process; ongoing implementation of the DOD Reorganization Act; the protection of our vital national interests in the Persian Gulf; charting the future course of the President's Strategic Defense Initiative; and developing and fielding weapons systems that will be responsive to dynamic and ever-more-capable threats.

A common thread running through many of these issues, as you pointed out, Mr. Chairman, is the challenge of reconciling the Department's outyear budget plans with domestic, economic, and fiscal considerations.

In this area, the Department has been focusing on future levels of spending, consistent with our defense requirements, but much higher than Congress seems likely to approve. Some in Congress, on the other hand, have focused more on what they think the country can afford. These are both legitimate points of view, and we must work together toward bridging this gap.

Of course, there are many other issues that will have to be addressed. Some policy issues I am familiar with. Other programmatic issues I have not considered since I left the Department in December, 1982. In these specific programmatic and management areas, I look forward to coming back up to speed and discussing them with the committee in more depth early next year.

These caveats aside, let me say that during the past several months I have had the opportunity to work with many members on both sides of the aisle, solving problems and resolving issues of great importance to the President and the Nation. This recent experience, as well as my 27 years in government, tells me that virtually all of the challenges ahead will be successfully met if we can focus on the common objective of doing what is best for the country.

The key, of course, is for the executive branch and the Congress to work closely together, as you have stated. My style in the past has been to work closely with the Congress, and I intend to continue in that style in the future. We may differ, but you will never find me unwilling to state where I stand, nor unwilling to work toward constructive solutions.

I have served in many exciting and demanding posts over my career in government. None of course will be more challenging than the one that I will soon undertake, if confirmed. Yet I am optimistic, secure in the knowledge that I will have the benefit of your counsel, the assistance of capable DOD civilians, and above all the support of our men and women in uniform—the finest and most dedicated public servants in government.

I bring no agenda other than the President's: to provide efficiently and effectively for today's defense needs, and to build the bipartisan consensus necessary to provide for our Nation's future security. It will be hard work, Mr. Chairman; but well worth the effort.

One final comment, Mr. Chairman. As the committee is aware, the President's national security advisor traditionally does not testify before the Congress. I therefore ask that the record reflect that I am before you today as the President's nominee to be Secretary of Defense, and I am happy to address any questions you may have for me in that capacity. Thank you, Mr. Chairman.

[The prepared statement of Frank Carlucci follows:]

— PREPARED STATEMENT OF FRANK C. CARLUCCI

Good afternoon, Mr. Chairman. I am deeply honored to have been nominated by the President to succeed Cap Weinberger as our Nation's sixteenth Secretary of Defense.

As the President noted last week, the country owes a great debt to Secretary Weinberger for his contributions to our national security over the past 7 years. He has played a central role with the President and the Congress in rebuilding our defense capabilities, restoring pride in our armed forces, and in strengthening the respect for U.S. policies abroad. Though some occasionally complained about his tough-minded and persistent approach, those of us who have worked closely with Cap Weinberger know that this is only a reflection of his steadiness of purpose and strong character, his loyalty to the President, and an abiding commitment to important principles. These are the qualities that made him such an effective member of the President's cabinet.

In the coming months the Department of Defense will face many difficult issues: continuing nuclear and conventional force modernization, while moving forward towards potential arms reduction agreements with the Soviet Union; sustaining our momentum in improvement of the Defense Acquisition Process; ongoing implementation of the DOD Reorganization Act; the protection of our vital national interests in the Persian Gulf; charting the future course of the President's Strategic Defense Initiative; and developing and fielding weapon systems that will be responsive to dynamic and ever more capable threats.

A common thread running through many of these issues is the distinct challenge of reconciling the Department's outyear budget plans with domestic economic and fiscal considerations. In this area, the Department has been focusing on future levels of spending consistent with our defense requirements, but much higher than Congress seems inclined to approve. Some in Congress, on the other hand, have focused more on what they think the country can afford. These are both legitimate points of view, and we must work together toward bridging this gap.

Of course, there are many other issues that will have to be addressed: Some policy issues I am familiar with; other programmatic issues I have not considered since I left the Department in December 1982. In these specific programmatic and management areas, I look forward to coming back up-to-speed and discussing them with the committee in more depth early next year.

These caveats aside, let me say that during the past several months I have had the opportunity to work with many members on both sides of the aisle, solving problems and resolving issues of great importance to the President and the Nation. This recent experience, as well as my 27 years in government, tells me that virtually all of the challenges ahead will be successfully met if we can focus on the common objective of doing what's best for the country. The key, of course, is for the executive branch and Congress to work closely together. My style in the past has been to function in close collaboration with the Congress. That will continue to be my style in the future. We may differ, but you will never find me unwilling to state where I stand nor unwilling to work toward constructive solutions.

I have served in many exciting and demanding positions in government, including my most recent post at the White House, but none will be as challenging as the one I will undertake if confirmed. Yet, I am optimistic; secure in the knowledge that I will have the benefit of your counsel, the assistance of capable DOD civilians and, above all, the support of our men and women in uniform—the finest and most dedicated public servants in government.

I bring no agenda other than the President's: to provide efficiently and effectively for today's defense needs, and to build the bipartisan consensus necessary to provide for our Nation's future security.

It will be hard work, Mr. Chairman; but well worth the effort.

Chairman NUNN. Thank you very much. I know Senator Cohen has got an Intelligence Committee hearing, and I am supposed to be there as a member myself, but will not be able to attend.

But I know, Senator Cohen, you may have a question or two you would like to ask. And I will defer to you.

Senator COHEN. Thank you very much, Mr. Chairman. Mr. Carlucci, I want to welcome you here. I have had the pleasure of working with you in the past.

I know that Senator Quayle, for example, has had a very sincere and dedicated interest in the field of procurement reform. Some of us may have forgotten that there is something called the Carlucci proposal, a few years ago, the Carlucci reforms. And we, I think, appreciate all of the efforts you put into that.

I did not have a chance to hear the chairman's opening remarks. But I gathered that there is a recognition on the part of you and everyone on this committee about the fact that our commitments seem to be larger than our capabilities, or we are at least arriving at that particular plateau.

What would you recommend, Mr. Carlucci, in terms of trying to deal with the necessary tradeoff that is going to be required between hardware and force structure?

Mr. CARLUCCI. Well, let me comment on the first aspect, our commitments being larger than our capabilities.

They are certainly larger than the resources that we seem to be willing to put into our capabilities. As I look at our commitments around the world and as I reviewed last night the national security strategy which this committee mandated, and I think is a very welcome step, it seemed to me very hard to simply approach this by saying we are going to scale back on our commitments around the world.

All of these as I look around the world are very valid commitments. The question is, what degree of risk are we as a nation prepared to accept in meeting these commitments? As the defense budget enters in all likelihood its third year of real decline, obviously the risk increases. But that is a national level decision.

I would certainly be willing to come up and discuss it any time, our commitments and our capabilities toward meeting those commitments in specific terms.

In terms of the tradeoff between hardware and force structure, there are of course a lot of tradeoffs between strategic, conventional, hardware, force structure, readiness, sustainability. But it is very difficult for me to sit here and say, well, one would be sacrosanct and the other would not, or I would reduce more in the hardware area than in the sustainability area.

Clearly we have to do whatever we can to protect readiness. But as I look at the budget figures that are being debated. It is becoming very clear to me that we may well be talking about a different kind of military force, at least a different size military force.

Senator Nunn, I think in your opening statement, you referred to the hollow army. I think we need to do everything we can to avoid getting back to a hollow army and ships that will not sail and airplanes that will not fly.

So the short answer to your question is, I do think we need to look at force structure as we undertake this exercise.

Senator COHEN. I am glad I did not receive your long answer to that question. [Laughter.]

Mr. Carlucci, obviously one of the major issues you will have to contend with is the proposed INF Treaty.

It is certain to be controversial for several reasons. One, I assume, because of the question about verifiability, which we can deal with at a later time.

But second, assuming that it is in fact signed, and assuming, and this is the larger assumption at this point, that it is ratified. What measures would need to be taken to compensate for the conventional disparities that have been existing for some time but have now been more clearly exposed?

Mr. CARLUCCI. Well, that is an imperative, and indeed the President, through the Secretary of Defense, has directed the Joint Chiefs to look at that.

And my understanding is that the Joint Chiefs are studying that issue right now. We have long worked to enhance conventional capabilities, and clearly we will need to continue that effort.

At the same time, we need to move forward very vigorously, in my judgment, on the so-called stability negotiations, the negotiations from the Atlantic to the Urals on conventional force reductions. But we have to be strong in the conventional area to be able to do that.

I do not know that you need to compensate capability for capability, because presumably the other side loses some capability in this treaty as well. But the Joint Chiefs really do have to come up with an assessment of what our needs are. And I would be prepared to work with this committee, once they make their recommendations.

Senator COHEN. Well, I am sure the chairman will call to your attention a little item called BTI, not SDI, but BTI, which may be helpful in trying to correct some of the balances.

Mr. Chairman, thank you very much.

Chairman NUNN. Thank you, Senator Cohen.

Senator WARNER. Mr. Chairman, I suggest we return to the regular order and you lead off with the questioning.

Chairman NUNN. We have a vote. Senator Exxon is going to vote and come back. So I hope we can be as uninterrupted as possible here. We are going to try to continue the hearing.

I mentioned a few minutes ago the efficient or inefficient production rates, Mr. Carlucci. The Congressional Budget Office did a study for this committee on the production rates of weapons systems, and these are just a few of the things they came up with.

This analysis shows that during the past 5 years, weapons have been produced on the average at just 50 percent of the efficient production rate. And the production rate efficiency is the definition based on what the assembly lines and the tooling and the engineering are geared for.

So that if they are geared to produce 100 units a year and they are producing only 50, then that is the 50 percent production rate in inefficiency.

One-fourth of the major acquisition programs during the past 5 years were manufactured at a rate below the minimum economic rates, and that was during a period of relatively high budgets.

Half of the largest 20 weapons systems were stretched out in the fiscal year 1988 5-year plan, compared to the fiscal year 1987 5-year plan. And that shows the trend we are in as we get into the budget.

The Congressional Budget Office found that increasing production rates by 50 percent would decrease real unit cost by anywhere from 5 percent to 25 percent, depending on the system.

Now, we have tried to make an effort this year in our bill to increase production rates. And part of the add-on that will be shown, if you look at strictly the administration budget versus the congressional budget when it comes out in our conference, will be, maybe 25 percent to 50 percent of it, based on this effort to get more efficiency out of production.

I would like to just get your view on that. How do we address this problem of having so many weapons systems, and the dollars simply will not go around for efficient production?

Do we cancel programs? Do we delay new starts so we can complete programs before we start new programs? How would you generally approach it?

Mr. CARLUCCI. Well, you have suggested two of the techniques. Let me say at the outset that I completely agree with you, and I welcome the committee's add-on.

Senator Cohen very kindly mentioned the procurement initiatives which bear my name, but which were developed with the cooperation of a lot of people when I first went into the Pentagon in 1980. And efficient production rates was one of those initiatives that we concentrated very hard on getting the rates up.

I can remember time and again in the deliberations of the DRB putting money into a particular program to get it up to the requisite level of efficiency. And the figures you cited are indeed distressing.

I think this is a problem that has to be addressed cooperatively by the Department and the Congress, because it does mean terminating some programs in order to fund others more fully.

It does mean delaying some new starts, and it may mean taking money from other areas of the budget and putting it in, simply for the purpose of developing more efficient production rates.

But you will certainly find me supportive. And I would count on this committee, as we deal with some of the political issues that will accompany this process.

Chairman NUNN. Well, I would not contend we have come anywhere close to doing the job ourselves.

We are canceling some programs this year. But it depends upon the budget level. But canceling a program over here in the Congress, once it gets a constituency, is hard enough, even if the Department of Defense has requested that it be canceled.

And if the Department of Defense is in favor of it and the services are in favor of it, even with woefully inefficiency production lines, it is just very, very difficult to get it canceled over here.

The other thing is new starts. I think all of us are in favor of doing everything we can to increase our technological capability.

But you have to really question whether we can afford to start major new programs that are going to cost anywhere from \$50 billion to \$100 billion at a point in time when we are reducing the production rate on other programs and stretching them out to a point that they are going to be outmoded technology before we ever complete the buy, and every unit is going to cost us a whole lot more money.

So we really, I think, have to look to leadership from the Department of Defense, in this respect. And I hope you will give this a lot of attention.

Mr. CARLUCCI. I might say, Mr. Chairman, I do not know if it is still being done, but when I was in the Pentagon previously, I initiated a new start review where we went over the programs in the R&D stage. Because once they get beyond the R&D stage, as you know, they develop that constituency and it is very, very difficult to terminate them.

Chairman NUNN. What about the fiscally-constrained budget? I know the Packard Commission talked about the same thing I alluded to in my opening statement, and that is the huge gap between the Department of Defense 5-year plan and the reality of the budget.

What would you do as Secretary of Defense in addressing that Packard Commission recommendation?

Mr. CARLUCCI. Mr. Chairman, I would try and follow it as faithfully as I could, because that particular recommendation was drafted jointly by General Scowcroft and myself, and Herb Stein as well. I should mention Herb Stein was on that group.

I feel particularly strongly that the President very seldom gets a chance to make the marco choices on a defense budget. People come running into him and tell him that if the budget is cut, he will lose so many tanks or so many ships. But he never gets a chance to look at the kind of tradeoffs that you are also familiar with between strategic, conventional, readiness, sustainability, modernization.

And the planning process really has to start at the Presidential level, working through the National Security Council, providing a statement of the objectives and the priorities among those objectives, using of course the staff of the Department of Defense, and as the Packard Commission Report states, specifically the capabilities of the Joint Chiefs and working through a net assessment to gauge the nature of the threat.

So I think it is all pretty well laid out here, and it just needs to be followed.

Now, it seems to me as well that the Congress, as you have pointed out many times, needs to work on this basis as well. If we are going to have the Defense Department on a 5-year plan, and then the Congress needs to look ahead too. If we are talking about a bi-annual budget, then we need the support of the Congress on a bi-annual budget. It is very difficult to develop a sensible planning process if you find yourself 3 months into a fiscal year and still do not know what money you are going to have to spend that fiscal year.

Chairman NUNN. Well, I think that is correct. And I know you are very much involved in this budget reconciliation summit conference going on now.

I think one of the most important things in the budget reconciliation, from a defense perspective, is having certainty on the second year of funding.

I believe that would be enormously important, and I think it is more important to have certainty in that second year now than it is whether it is \$1 billion or \$2 billion higher or lower.

I think the money is important, but the most important thing is to give at least a 1-year indication to the Department of Defense and the people who are doing the budgets over there as to where they are going.

Now, we have tried this year, and I congratulate Secretary Weinberger. He responded very vigorously to the 2-year budget concept. We had that in the bill 3 years ago and the Department of Defense under Secretary Weinberger has really worked at that.

They submitted it to us this year, I call it a serious second year on that budget. This year we have started, and this committee had about 75 percent of the second year authorized.

We are going to end up in conference, assuming we get a conference in the next few days, hopefully, with about 60 percent of the second year. Now, we would like to do better than that in the future. But it is a major start down that road, and we hope the appropriators will begin to follow that path also.

The most difficult thing we faced in that second year was that the President's overall budget, not counting just defense but everything, did not meet the Gramm-Rudman targets the second year. So we're not in a position to go much further than we did this year. But we think that is important.

The other thing that we have done, and I hope the Department of Defense would come forth with more suggestions on this, you already have done some, is we are beginning to give multi-year authorizations.

For instance, on the Trident II missile this year we are going to have several years authorized. And that is the kind of long-range planning that I think—

Mr. CARLUCCI. I think those are all very positive steps, Mr. Chairman.

Chairman NUNN. One thing that I would like for you to take a look at as Secretary of Defense; some of us feel that we have placed the priority on nuclear arms control and have been rather delinquent as an alliance, not simply this government but NATO, in proposing very much, if anything, on conventional arms, where we have very substantial disadvantages with the Soviet Union and the Warsaw Pact.

We also get the feeling the Department of Defense has not moved out very vigorously with any kind of analysis on conventional arms proposals that would achieve stability, if they were agreed to.

How high a priority do you believe that conventional arms control analysis should be in the Department of Defense in the period after the INF agreement is entered into, assuming that it is?

Mr. CARLUCCI. I think it should be a high priority not just in the Department of Defense, but in the Government as a whole.

And that subject has been raised in the negotiations with the Soviets. I have participated in those negotiations, and the Soviets have indicated a willingness to negotiate in the conventional area.

As you are aware, Mr. Chairman, the forum is shifting from MBFR to the Atlantic to the Urals, the so-called stability talks. And we have spent a year working out appropriate arrangements with our allies.

Those arrangements are now completed, via the CSCE. And we can get on with developing the mandate. I myself met with Ambassador Lettergar, our conventional arms control negotiator, the other day to get a sense of what progress we are making.

The sense I got from him is that we are at the point now where we can begin to move out. We are focusing, as you are probably aware, on tanks and artillery, with a proposal that would have the Soviets buy in, if you would, at the front end as a result of the large asymmetries in that area.

We are presently consulting with our allies to see if we can get their concurrence in tabling this kind of proposal.

Chairman NUNN. Well, I am glad you assigned that a high priority, because I think it should be. And it is not that I have any expectations of a quick agreement or an easy agreement.

But I think that when we do not have any position at all on the table, it puts us at a severe disadvantage in terms of explaining it to our own public in this country and in Western Europe.

Mr. CARLUCCI. I would hope that we can have a position on the table by the end of the year, Mr. Chairman.

Chairman NUNN. Thank you, Senator Exon, I am going to turn it over to you for both questions and presiding, as I run over to vote.

Senator EXON [presiding]. Thank you, Mr. Chairman, and Mr. Carlucci, I welcome you here.

I want to start out by saying that I am extremely pleased with the fact that the President has nominated you to become the Secretary of Defense.

And because of our long association, because I know you extremely well, I think the President could not have done better. And this is one Senator, and I think I speak for most of my colleagues, that would enthusiastically back you.

We are delighted that you came over here. We are looking forward to a spirit of cooperation as we work together on some tremendously important problems regarding the national security interests of the United States and the Free World, at a time when I suggested that maybe most do not understand just how tight the wrench is, and the tremendously important decisions that have to be made.

Let me ask you a question, since you have been around the Defense Department, national security policy, international policy, for a long, long time, and have served in many of the important capacities do you feel that the National Security Advisor, as had been suggested by some, should be required to be confirmed by the U.S. Senate? Or do you think we should leave well enough alone?

Mr. CARLUCCI. Senator Exon, I do not think he should be confirmed, because this is a staff position.

He is a personal advisor to the President. He is not a line officer. He cannot make decisions on his own. He makes decisions in the name of the President.

Obviously he has considerable access to the President, and people listen to what he has to say. But he has no independent decision-making authority.

Presidents need to be able to choose whomever they wish in this kind of staff role, and they need to be able to receive advice, knowing that it will remain confidential.

If they cannot get that, if they feel that a National Security Advisor is going to be called up and asked about the nature of the advice that he gives the President, that is virtually how he spends a large portion of his time, then they will turn to others for advice.

So, confirmation of the National Security Advisor, in that sense, would be self-defeating.

Senator EXON. I would agree with you, Mr. Carlucci. And I for one have been resisting that effort.

But the facts of the matter are, I think that history will record, and I think probably you and I would agree, that in recent years, in recent years I emphasize, the National Security Advisor has become much more than a line staff assistant to the President of the United States, as has been highlighted by recent testimony before the Congress of the United States.

I guess it comes back to a matter of whether or not the National Security Advisor is to fill the role that that position was originally intended to fill. And I agree, the President needs that.

But I must say that, not while you were there, but while others were in the position that you now hold, I think that they became equal to, if not supreme to, such important matters as the Secretary of Defense and the Secretary of State. Do you have any comment on that?

Mr. CARLUCCI. Well, I do not know that it is a zero sum game, Senator Exon, between the Secretary of State, Secretary of Defense, and the National Security Advisor.

Indeed, the relationship has to be a cooperative one, a team relationship. Not that they will always agree. Indeed, they will frequently disagree, which is only natural given the departments that they represent.

But the role of the National Security Advisor is to serve as an honest broker and to represent the President's interest and to take the decisions to the President, make sure the President sees all the options. And once the President decides, to see that the President's decisions are implemented.

Let me emphasize that I was very careful to say, "to see that the President's decisions are implemented." Because I do not believe that it is his role to implement the President's decisions himself. And we have laid down in the National Security Council a set of procedures and constraints, which have backed the National Security Council completely out of any operating role, although that is a hard word to define.

We have certainly laid down procedures which prevent the National Security Council from engaging in covert action. We have tightened up on the paper flow. We have tightened up on the accountability system.

We have put in an Office of the General Counsel, with access into all the paper flow, all of the meetings, reporting directly to the National Security Advisor.

So all the procedures, in my judgment, are in place to institutionalize a process where this office functions as a staff, as opposed to a line organization.

Senator EXON. Mr. Carlucci, as the National Security Advisor, have you had free and open access to the President of the United States?

And when you were discussing with the President your proposed new role as Secretary of Defense, did you emphasize the fact that it was necessary for you to have complete and open access to the President? And were you assured that that would be forthcoming?

Mr. CARLUCCI. I have had complete and unfettered access to the President. He is the kind of President, Senator Exon, that you just open the door and walk in. You check with his secretary, open the door, and walk in.

And when we discussed my taking this job, we did not discuss that explicitly, because I am totally confident that I will have that access. I have no doubt whatsoever in my mind that I will have all the access I want.

And I know that I can work cooperatively with my successor, General Powell, and certainly with Howard Baker in that job. Access will not be a question.

Senator EXON. Thank you. My time is up. I will have further questions in a second round.

But I am pleased to recognize Senator Quayle at this time.

Senator QUAYLE. Thank you, Mr. Chairman. I would just like the record to show that all the good things that we said about you, I echo. And especially all the good things to be said about you wife. A double echo. I am delighted to have you here. And delighted at you becoming the new Secretary of Defense.

Let me focus on a couple issues, and one in particular. I do not know if it has been brought up, going over to the vote and coming back, is the SDI moving from the narrow interpretation to the broad interpretation.

I would like for you to perhaps outline a way that we might get off of this legal discussion that we have between broad and narrow. We have gone through this hours upon hours.

And as I look to my good friend from Michigan, I know all the hours that he has put in, up in S-407, out on the floor, trying to figure out what the interpretation is.

And I would hope that what we might be able to do is to get rid of our legal hats and quit being judges around here, and start acting really as constructive members of the Senate Armed Services Committee and looking at the military implications, and looking at the national security implications of moving from the narrow interpretation to the broad interpretation.

I wonder if you might outline with us perhaps a way that we might be able to focus and have a different kind of debate. Perhaps have a debate on what is in the interests of this country.

Perhaps a programmatic debate, rather than a legal debate. I think that we would, at least I would feel more comfortable in looking at a programmatic debate up here, rather than getting locked into this huge legal discussion that we have now worked out in our conference committee.

And, I just wonder if you might just outline for us a process that we might follow to get into a different kind of debate on SDI.

Mr. CARLUCCI. Thank you, Senator Quayle. And as you and Senator Levin are aware, I have been having these discussions with the chairman and Senator Warner.

I think your comments are right on. Of course, there are legal issues involved in the treaty interpretation, And, I am not a lawyer.

But as I understand some of the lawyers' arguments, at least the negotiative record regarding narrow versus broad is ambiguous. And if it is ambiguous, then we really do have to look at the national security interests.

It seems to me the way to do this is to look at the concept of moving from the MAD doctrine to a deterrence based more on strategic defense. And by the way, the Soviets now fully accept that. I have had direct conversations with them on that subject.

And within that context, to look at the SDI program, what its goals are, and what its needs are in the development and testing area. I think that can be done rather readily in the normal authorizing and appropriating process.

Because as the committee is aware, there are no tests that are currently planned for this fiscal year. So when we come up next year to talk about the program and what tests are needed, we can do so in programmatic terms, and we can do so against the overall goals of SDI in contributing to strategic stability.

Senator QUAYLE. I look forward to that, and I hope that we can begin to focus and have a discussion more on a programmatic basis.

Obviously you have got to look at interpretations. But if we can look at some of these programs and some of the tests and development that you might want to do, that might collide with a narrow interpretation but be compatible with the broad interpretation, I hope that is the route that we proceed.

Mr. CARLUCCI. I would hope that this committee would agree with me that if a program or a test is necessary that requires moving to the broad interpretation, we could work that out in some way that would be acceptable to people like Senator Levin.

Senator QUAYLE. I hope so too, and I look forward to working with you on that.

Let me just switch to the post-INF environment, which is a very important area. The focus now is on the conventional arms control.

I understand that, you indicated earlier, I was not here, but I was told that you indicated that by the end of the year you hope to have a proposal that we will be able to discuss.

I wonder if you have given any thought to the issue in the conventional arms control of placing the ceilings on that, and how we would achieve the ceilings either by actual withdrawal, which means that troops in particular, I am thinking of Soviet tanks and artillery, et cetera, could be placed elsewhere east of the Urals, admittedly, but looking at a different type of concept of perhaps just destruction of the systems along the lines of INF?

My main interest of this question is to try to introduce into the formulation of your conventional arms control proposal the idea of actual destruction of some of these tanks, artillery, things of that sort, as we are going to do in the INF Treaty.

Have you given that any thought? And if so, what would be your reaction?

Mr. CARLUCCI. I cannot tell you what the internal debates in the administration have been on that particular subject, Senator Quayle.

But, I think that is a constructive proposal, and I would certainly be prepared to examine it. I do not see any reason why these should not be destroyed. The principal problem, as you know, is that we have to come down an asymmetrical proportion in these negotiations. One of the benefits of INF is that it does establish that principal.

Senator QUAYLE. My time is up, Mr. Chairman. The only thing I would just follow up on that.

The idea of actual destruction is a little bit different than withdrawal. I personally feel that, and we have had this in our hear-

ings that Senator Levin is the chairman, getting into this withdrawal versus destruction.

I hope you can take a look at it, and I come down on the side that you should probably at least have both, but we ought to have a look at the destruction option. Thank you, Mr. Chairman.

Senator EXON. Senator Levin.

Senator LEVIN. Thank you, Mr. Chairman. Senator Quayle has gotten into an area that is of critical significance to us, and that is the conventional force structure, and the conventional balance.

You and I have had some conversations about the bean count approach to assessing the conventional balance, and some of my qualms with an overly-simplistic bean-counting approach to it.

We read in yesterday's papers that the International Institute for Strategic Studies in London has just issued their annual report, in which they raise some real questions about the validity of simple bean counts.

One of the statements from that report that was reported in the press is that there are 999 ways in which pure bean-counting does not give a sensible answer. My question to you is, what is your current view of the conventional forces balance in Europe?

Mr. CARLUCCI. Well, bearing in mind your admonition on bean-counting, and having read the same article you read on that report, nonetheless I continue to believe that at least if you measure it numerically there are asymmetries.

How large they are, one can argue. And of course, there are all kinds of intangibles that go into the equation, such as the state of readiness, early warning, personnel capabilities, strategic location.

One can add a whole list. You would really have to run a net assessment to answer your question accurately, and those kinds of net assessments obviously should not be discussed in this kind of forum.

So accepting your point that bean-counting has its limitations, I hope you would also agree that any conventional arms control agreement does have to have in it the seeds of asymmetrical reductions. And I really am not at this stage prepared to go further than that.

Senator LEVIN. I was not pressing you so much as to what our particular proposal would be at the conventional arms control negotiations, but just in general what your view is of the conventional balance.

Would you agree that it is too simple, or too simplistic, to state that the Warsaw Pact is favored in the conventional balance by very sizable margins? Do you agree that is too simplistic a conclusion, given the qualitative factors that have to go into it?

Mr. CARLUCCI. I think one can say there are sizable conventional imbalances. You are probably quoting from some document.

But I would agree, that simplistic approaches to a complex problem are not terribly useful. And to give a one phrase summary is not terribly helpful. Well, let me not go any further than that.

Senator LEVIN. On the INF agreement, do you believe that the proposed or the assumed INF agreement should stand on its own merits without linkage to the conventional balance?

Or to put it in a very sharp focus, do you believe it would make sense to attach a reservation to the treaty which would link ratifi-

cation or the effective date of the treaty to, for instance, a conventional arms agreement?

Mr. CARLUCCI. Let me say that I think we have to move ahead very rapidly, as the foreign ministers decided at Reykjavik, from INF to strategic to conventional.

But that is different from directly linking conventional negotiations to ratification. And speaking only for myself—let me make it clear I am not speaking for the administration—I would have serious reservations about any kind of amendment such as you described.

The INF agreement is a limited purpose agreement. It was designed to deal with the issue of the SS-20s. It is enormously successful in terms of its original goals, to take us back to 1979 and the dual track decision.

For us to suddenly change course or suddenly change the goals of that agreement at "end game" would surely undermine the confidence of our allies in the process. We have had enormous success as an alliance in bringing about an INF agreement.

And I do not think it would be at all appropriate to suddenly change the goals of that agreement.

Senator LEVIN. You used the words directly linked. Was that a term of art?

Did you intend to suggest that an indirect link to a conventional arms control agreement might have a different view?

Mr. CARLUCCI. I think it is fair, as several Senators have done, to say, well, in the wake of this agreement, we have to move on to conventional, and we want to measure your progress on conventional, even as we go through the ratification process, if you want. But do not make one conditional on the other.

Senator LEVIN. Secretary Weinberger issued a list of six major tests to be applied when the United States is considering committing U.S. forces to combat.

Can you tell us if it would be your intention to maintain that list, that test?

Mr. CARLUCCI. It has been a while since I have reviewed that list. I think I would have no problem, as I recall, with five of them.

I do not know that it is always feasible to have full political consensus before you go ahead with a military operation. I cannot recall the exact wording that Secretary Weinberger uses in that area.

He may not say full political consensus. But there are times when the President needs to move military forces in advance of total agreement of the body politic.

Senator LEVIN. My time is up. Let me just simply in conclusion welcome you. We have worked well together.

I look forward to your stewardship of the Defense Department. I think you are going to do a heck of a good job, and bring to the Department a broad range and a wealth of experience that is going to be very helpful, both as you run the Department and also in your relationships with the Congress.

Mr. CARLUCCI. Thank you, Senator Levin.

Senator EXON. Senator Warner.

Senator WARNER. Thank you, Mr. Chairman. Again, I express my great pleasure at seeing this fine distinguished American here

before this committee. You will be a great Secretary, and I will stand by that prediction.

Now, Mr. Secretary, we talked earlier today about tradeoffs between hardware and force structure and the like. Having once been in the building myself, there is another area I think you are going to be compelled to address, even though it is the most sensitive of all areas.

The budget dictates that you go back and look at roles and missions. Are you willing to do that, and have you got the courage to do it?

You know there is some overlap, there is some duplication in force structure and in capability among the Air Force, the Army, the Navy, and the Marine Corps. And somebody must take a hard look at that.

Mr. CARLUCCI. Senator Warner, I think you are right. This is not something one can do in a short period of time, particularly in a year's tenure. It has to be an ongoing effort.

Senator WARNER. But you have got the guts and the courage to kick that off, force that study to be made.

Mr. CARLUCCI. Let me suggest that we do this cooperatively, because one of the recommendations of the Packard Commission, you may recall, is that we begin to move toward an operationally-oriented budget. What some people call a mission-oriented budget, although that particular term of art has its fallings.

The line item budget does not lend itself to that kind of an approach. So it is very difficult for the Secretary of Defense to use the budget as a tool to examine roles and missions.

And if this committee is willing to kick off a process we begin to change the budget and the budget presentations, moving it more toward operational concerns, I am more than happy to work with you. But that kind of undertaking really has to be a cooperative effort.

Senator WARNER. Well, this is a subject that I have spoken with the chairman many times about. He can speak for himself.

Mr. Chairman, I was talking about the need for this Secretary, in view of the budget constraints, to take a look at roles and missions. And he brought up a very valid point.

To do that requires the cooperation of the Congress and the manner in which the budget is presented. And I have indicated this Senator is prepared to take on that difficult task and work with you.

Moving on to SDI, I have worked as hard as anybody, and I say that with humility, to support the President's program, the R&D, the questions relating to the ABM Treaty, and the whole sphere of SDI, because I believe in it.

It is absolutely essential for this country to give it our best try, to determine the practicability of having some measure of defense in terms of ballistic missiles. And maybe from that R&D we can learn of means to interdict other types of nuclear systems.

But Mr. Secretary, it was oversold in the beginning, with this concept of the umbrella. And other rhetoric that was wrapped around this program, and has made it extremely difficult for those of us in the Congress that support this program to carry that burden in floor debate after floor debate.

And I urge you to see whether or not you can provide a new definition for SDI. And draft in your own words a set of goals that are achievable within the realistic framework of technology, as we recognize it.

And even though that technology is evolving very rapidly, and we have had discussions on this point very recently, I think we need to recharacterize the goals of this program in language which the American people understand, and are not misled by thinking that someday we can, within frankly this century, pull an umbrella over this country.

Mr. CARLUCCI. Senator Warner, as a matter of curiosity the other day, indeed knowing that this hearing was coming up, I asked the President's speechwriter to go back and punch the computer and see if the President has ever used the word impenetrable shield.

I found out that he has not. What we are really talking about is a militarily effective program. Moving toward a deterrent—increasingly based on defense over a period of time.

And it is very difficult in R&D programs to predict what the ultimate capabilities will be. But I would certainly be glad to work with the committee in defining those goals. My understanding is that, as you said, a good deal of progress has been made.

Things that people did not think were feasible before are now reaching the threshold of feasibility. So, like you, I am a supporter of a militarily effective program.

Senator WARNER. Mr. Secretary, a number of Senators have spent a good deal of time on issues involving the Persian Gulf.

I am becoming increasingly concerned about our policy there as it relates to security interests. Those security interests could well include ships and vessels which are owned by the United States, but which are not sailing under a U.S. flag.

That category of ships, quite frankly, is bringing the majority of petroleum to the shores of the United States for our own needs. Yet at the present time, there may not be sufficient clarity of definition as to what would happen in the event of an attack on one of those ships.

What I propose to do, and I think I will be joined by others, is to informally convene a meeting with the owners and others having an interest in this area.

I would like to invite you to come to that meeting so that you can hear from them, as we the Senators will learn with greater specificity, their concerns. I think we owe them at least that obligation.

So my first question is, will you attend such a meeting?

Mr. CARLUCCI. Certainly. I would be pleased to attend such a meeting. I think that the questions involved with the subject you raised are extraordinarily complex and highly-sensitive in terms of our military operations. But I would be delighted to attend such a meeting.

Senator WARNER. Well, as you know, this category of ships, many of which fall into the effective U.S. control fleet, is established by law.

Indeed, in 1981 Secretary Weinberger stated that the ships are considered in our contingency plans for sealift requirements to

move essential oil and bulk cargoes in support of our national economy.

In 1985 the Director of Strategic Sealift from the Office of Naval Operations testified before a subcommittee of this committee that within this fleet of ships there were at least over 50 which were considered militarily useful in our contingency plans.

Now, today a number of these same ships are continuing to transport oil from the gulf to the shore of the United States, unlike those that were converted under the reflagging program.

Therefore, I am pleased to see that you will work with me to address this issue and listen carefully to the owners and those that have an interest in this program.

Mr. CARLUCCI. I am prepared to do that.

Senator WARNER. Mr. Chairman, my time is up.

Chairman NUNN [presiding]. Thank you, Senator Warner. Senator Dixon, I believe you are next on the list.

Senator DIXON. Mr. Carlucci, many of us think that in the last few years a great deal of our defense money has been expended for highly-sophisticated and esoteric types of major strategic weapons systems, at the expense of conventional weaponry and in particular readiness and sustainability items.

And I wanted to call to your attention that in the subcommittee I chair on readiness, sustainability and support, we were shocked to find that the charts that we saw showed that after all this expense, immense expenditure since 1980 to date, that on questions of readiness and sustainability we will be in about the same shape in 1991 that we were in 1981.

That is to say that on ammunitions, spare parts, depot maintenance and real property maintenance, we actually will be back in 1991 to the same position we were in in 1981. And I wonder if you are aware of that information?

Mr. CARLUCCI. I am not aware, Senator Dixon, of those specific figures. And I presume that the decline is as a result of a decline in real terms of the defense budget in the past 2 years, and the projections of further real declines.

I can only say that I agree that readiness and sustainability have a very high priority. I think in the Goldwater-Nichols bill, by giving a larger role to the CINCs, the Congress has enhanced the importance of readiness and sustainability.

Having said that, I have got to say to you in all candor that given the dimensions of the cuts that are being contemplated in the defense budget, nothing can be sacrosanct. I cannot commit to you that readiness and sustainability are going to grow while everything else shrinks, because there is not a lot else.

Senator DIXON. May I interrupt at that point to ask this question, though?

Do you not believe it is reasonable, you were talking about symmetry a while ago, to think of symmetry in terms of what we do in the defense budget as well?

That is to say that when we talk about these important strategic and other major weapons systems, that we also think in terms of the support items that are required. Would you agree with that?

Mr. CARLUCCI. Oh, indeed. I think we have to do this in a balanced way.

Senator DIXON. Yes, I would ask you to evaluate that, because next year when our hearings take place I would look forward to pursuing that to some kind of a finite conclusion with you, if I may.

Mr. CARLUCCI. I would be delighted.

Senator DIXON. One other thing, I do not know, some of us were out of the room from time to time, and this may have been already touched upon.

But as the sponsor of the legislation in the DOD Reorganization bill that set up the Under Secretary of Defense for Acquisition, I have been very concerned, and so have many on this panel, about the Godwin situation, which received considerable publicity.

I think all of us have a lot of confidence in Dr. Costello, who will be coming along shortly after you to fill that position. Do we have your assurance that Dr. Costello will have your full backing as Under Secretary of Defense for Acquisition and the things he wants to do there?

Mr. CARLUCCI. Indeed, if Mr. Costello is confirmed for that position, he will have my full backing.

Once again, that flowed out of a recommendation in the Packard Commission Report.

Senator DIXON. Yes, of course.

Mr. CARLUCCI. I participated actively in the debates on that recommendation. And enthusiastically support it.

I also support, though, putting testing and evaluation under the Under Secretary for Acquisition, and giving him audit policy responsibility, both of which will require statutory change. And I understand there is some reluctance in the Congress to do that.

Senator DIXON. There is a dispute about that, although I support your point of view, may I say.

But there has been a dispute about that, and it will be, I imagine, a matter we will revisit. We are both clear in our understanding that Dr. Costello, in his capacity as Under Secretary of Defense for Acquisition, is in a position above the various service Secretaries in respect to decisions that are made on those questions.

Mr. CARLUCCI. Well, the intent of the Packard Commission Report, and I confess I am not thoroughly familiar with the legislative history of this particular provision, was that in acquisition matters he would be paramount. But not in protocol terms.

On the other hand, the way the Pentagon works, if a service Secretary has a real problem with that Under Secretary for Acquisition, he certainly has the right to appeal the decision to the Secretary. And if I am confirmed, those decisions are what you would pay me to make.

Senator DIXON. There is no question about the fact that you are Secretary of Defense. The only question we want to resolve is that Dr. Costello is Under Secretary of Defense for Acquisition with authority to make those decisions above the decisions of the service Secretaries.

Without any question, they have a right to appeal that decision to you if there is a dispute.

Mr. CARLUCCI. Yes, I would endorse that.

Senator DIXON. Mr. Chairman, that is all I have.

[The prepared statement of Senator Dixon follows:]

PREPARED STATEMENT BY SENATOR ALAN J. DIXON

Mr. Chairman, in Frank C. Carlucci, the President has nominated an individual who has had a great deal of experience working as a top executive in the Federal Government. Mr. Carlucci served as Secretary Weinberger's deputy from early 1981 to December 1982. He joined with Secretary Weinberger in building a stronger military, while at the same time focusing on procurement reforms. The "Carlucci initiatives", 32 improvements to the procurement process, sought to cut costs through improved management and better planning.

The administration over the last few years has budgeted more and more money for the Defense Department. However much of this money has been spent on the strategic forces. Just the other day we finished the conference on the 1988 and 1989 fiscal year defense authorization bill. In my opinion, our ability to sustain the conventional war fighting capabilities of our forces in the face of continued stretch-outs of major conventional programs is in great doubt. At a time of limited defense resources, conventional force modernization clearly occupies a much lower priority with this administration. Funding for the readiness related accounts are only holding steady. I feel this will result in a "hollow force" of weapons which cannot be adequately maintained or operated.

Last year I said that I thought the significant improvements in readiness and sustainability that we had achieved during the first half of the 1980's were being placed in jeopardy by the imbalances in the fiscal year 1987 budget. Unfortunately, I think the imbalances and misplaced priorities are even more serious in this year's budget. During this past conference, both the Senate and the House agreed that we should try to hold the cuts in the readiness accounts to a minimum. However we still had to reduce these accounts by \$4.5 billion!

Mr. Carlucci, the administration presented Congress this year with a Defense budget which reversed many of the improvements we have made since 1980 in the readiness and sustainability accounts. Five year defense programs in the past have always been noted for their optimism of outyear projections. The problems in the first year always got better in the second, third or fourth year. Unfortunately, that isn't true for this year, and it sure is not true for next year!

As I see it, efforts to preserve the readiness and sustainability gains of past years are going to be more difficult. I admit my chairmanship of the Readiness Subcommittee causes me to be a little more parochial. However, the problems I have raised today go beyond my subcommittee to the basic priorities of our country's defense program.

Mr. Carlucci, I hope next year when you present a defense budget you will re-evaluate any increases in strategic programs, those marginal weapons programs, and place proper priority on proven conventional systems to support the readiness and sustainability of our current armed forces.

Thank you, Mr. Chairman.

Chairman NUNN. Thank you, Senator Dixon. I believe Senator Gramm is next.

Senator GRAMM. Thank you, Mr. Chairman. Mr. Carlucci, I appreciate having an opportunity to work with you again.

The last time we were working directly in defense matters you were Deputy Secretary. We were beginning to correct problems that had existed from 15 years of neglect. And I want to assure you it is a lot harder bringing down real defense spending than it is taking it up.

And we are going to need your leadership, and this last ounce of your blood that Senator Warner was asking for a minute ago, if we are going to pull this off successfully.

First I would like to get a little bit of a clarification going back to this acquisition post. It is your understanding that the person in charge of acquisition is primarily responsible for setting the policy concerning acquisition, but that the service Secretary, in working with you, is primarily responsible for deciding what we buy.

One has input on how, the other has input on what. Is that right?

Mr. CARLUCCI. I am glad you raised that, Senator Gramm, because that is a useful clarification.

I certainly, in answering Senator Dixon, did not mean to imply that the Under Secretary for Acquisition could get into individual acquisition decisions.

His role is principally a policy role, a role in seeing that to the degree that it is desirable, I think it is desirable to a substantial degree, that the service policies on procurement are consistent, and to undertake new initiatives.

But the actual acquisition, the actual procurement, needs to be implemented at the service level.

Senator GRAMM. As you will remember, in 1979 we were looking at 5 percent of GNP going into defense. There was a bipartisan, virtual unanimity that that was not enough.

In fact, in 1980 with a Democratic House, a Democratic Senate, and a Democratic President who opposed increasing defense, by Congress, he had Congress jam, in essence, down his throat the largest defense increase in American history in peacetime.

We are looking under the current budget that was adopted by Congress this year at moving back to 5 percent of GNP going to defense 2 years from now. The chairman, I think, raised the question in asking you what you were going to do about all these areas.

I think it is clear that to this point our committee and our sister committee in the House have not really come to grips with the problem either.

I would like to get your views about where you think we ought to go if, in fact, for the next 2 years we are looking at a real decline in defense spending. I hope that will not be the case. I am going to oppose that being the case.

But if it were the case, what do you think we need to be looking at? Ranging from new procurement programs to the level of force, or the force structure, the number of people in uniform?

Mr. CARLUCCI. Senator Gramm, I think we have to look at everything. I do not think anything can be sacrosanct. And without having had a chance to study it thoroughly, obviously, I think we may well be talking about a smaller military force. That is, looking at force structure.

I would rather have a smaller force that is effective, and that has the necessary equipment, the necessary ammunition, the necessary personnel than to have a larger structure that is not effective.

And I would hope the committee would agree with me on this. I know it is an enormously controversial subject. But I think we are going to have to take a look at force structure.

Senator GRAMM. Well, let me say I happen to agree with you on that. I know Senator Wilson does as well.

But I can tell you, it is going to be a very difficult political sell, because basically there is a strong commitment to "people programs." And I think it is going to take a tremendous amount of leadership to pull that off.

Finally, Mr. Carlucci, let me say that I think one of the things that is most appealing to me about your appointment is your record in dealing with the acquisition problems that we face.

Quite frankly, there is a great paradox that under the leadership of Cap Weinberger we turned up more waste, fraud, and abuse

than has ever been turned up by internal audits in the history of the Pentagon.

We did more about it than has been done probably in the last 5 or 10 administrations combined. And yet we, in the process, created the public opinion that the problem was getting worse rather than getting better.

I would like to just finally ask you to respond, how do you intend to address this problem of procurement reform in terms of putting the focus on the fact that we are finding the problem?

That the bad news is that there is a lot of waste, much of it mandated by Congress, I might add. The good news is we are doing something about it.

Mr. CARLUCCI. I think a lot has been done to deal with this subject, both directly through the auditing system, and indirectly, through the procurement system.

Frankly, the amounts of money that you save by such things as the chairman mentioned, buying in economical quantities or multiyear procurement dwarfs any amount of money that you could save through the auditing process.

Not that we do not need to continue to have good auditing systems. But we need to look at these macro questions as well.

I think we also need to reexamine our relationship with the defense industry. Once again, I know this is a controversial subject. The Defense Department has to have an arm's length relationship with defense contractors.

But the industrial base is an extremely important national asset. The defense contractors are the tools that we use to build our military establishment. And we have to provide them with the proper incentives.

And such things as punitive auditing or swarms of auditors on the plant floor, or telling them they are guilty until proved innocent, in my judgment, are totally counter-productive.

So, while I would insist upon a vigorous auditing system and a vigorous inspection system, I would also insist that it be done in such a way that we provide the proper incentives to the defense community, that we help them as the Packard Commission indicated.

In their undertakings of self-regulation, I think that it is very important, and that we provide them with the kind of procurement policies that will enable them to function more efficiently and will enable the Defense Department over the long run to save money.

Senator GRAMM. Thank you, Mr. Chairman.

Chairman NUNN. Thank you, Senator Gramm. I believe Senator Wirth is our next Senator to be recognized.

Senator WIRTH. Thank you very much, Mr. Chairman. Mr. Carlucci, I am delighted to have you here today to pick up on some of the earlier discussions on the acquisition process. I agree with you that we have to do a good deal more than focus just on weapons systems themselves.

I think that we have to look, as you were pointing out, at the process that our defense industries are getting themselves into, or we are getting into some very, very real problems, that as we pass individual amendments or promulgate individual regulations, they may individually stand on their own and look good, but when you

put them all together I think we are finding out that there may be a negative synergism to it.

And we are focusing, I think, a little too much on looking at the 10 percent profit side and not nearly enough at the 90 percent side, and what can be done there to work with the industry.

With you coming in, I think there is a great opportunity here. As you know, the chairman has reorganized the committee and the subcommittee chaired by Senator Bingaman has working with it an ad hoc defense industry advisory group.

And as you and I talked earlier this week, I would hope that we could bring you into that process as quickly as possible. Perhaps to have you meet with that group. I know Senator Bingaman is interested in doing that.

It should be our relationship with the industry as well as the office of the Secretary and the Pentagon's relationship with the industry. I think all of us have a lot of work to do to sort it out. And I am really pleased to hear your comments on that, and hope that we can all pursue that together.

Mr. CARLUCCI. I agree with you, Senator.

Senator WIRTH. A very specific concern related to INF and the START Treaty, and the relationship, or the potential START Treaty and the relationship of that to conventional arms control.

A couple of questions relate to earlier references that have been made this afternoon to the potential of force structure reduction. First of all, how can one reconcile force structure reduction with the obvious imbalance of conventional forces in Europe?

Mr. CARLUCCI. Well, I think you are talking about apples and oranges, because as Senator Levin pointed out a little earlier, you have to measure not just the number of divisions, but the capabilities of those divisions.

What kind of equipment they have, whether they are fully manned, what their state of readiness is, what kind of intelligence capability they have. You could give up a division, if it is a hollow division, and not lose anything.

So I think you go about looking at force structure on its own merits. And I do not think we have fooled the Soviets by having divisions that are less capable. Indeed, I think they would respect fewer divisions with more capability than they would more divisions with less capability.

Senator WIRTH. Is there a related question then that relates to the potential of withdrawing American troops and the implications that that may have for the politics of various democracies in Europe?

Mr. CARLUCCI. No, I did not mean to imply in any sense that looking at force structure would entail a withdrawal of troops from Europe.

Indeed, I am very much opposed to any such withdrawal, both in terms of our commitment to the alliance and also in terms of the economics of such a withdrawal. Unless we are going to demobilize these troops, if we bring them back, we have to find accommodations for them.

And unless we are going to abandon our commitment to NATO, we have to provide additional sealift and airlift to get them back to Europe in time of emergency.

So I do not see this as a cost-saving exercise, and I do see it as an exercise that would undermine our relationship with our allies. So I am thoroughly committed to continuing our presence in Europe.

Senator WIRTH. I find myself in very broad agreement with that, and just wanted to make sure that we were getting that on the record.

There have been discussions of, earlier this afternoon, about various reductions. And I wanted to make sure that I understood what it was we were talking about.

Let me ask you in the remaining time a question related to the nuclear weapons complex, which I know does not fall directly in your area of responsibility, but indirectly it does, and it is extremely important.

We have had reports from the National Academy of Sciences and other groups about the problems that exist in the reactors at Savannah River.

And I think in the process of the hearing, some of which have been closed and some of which have been open, it is pretty clear that we have a troubled complex nationwide, and that that complex goes beyond just the ability to produce plutonium. But it goes throughout the whole complex, to the assembly areas, to the fabrication areas, and so on.

I would hope that as you are looking at the budget going into 1988 that you would ask your people to look very carefully at this and the potential problems that it brings. We have communities now that surround many of these aging nuclear weapons plants, and they are very sensitive to the fact that those plants are there in their own backyard.

And that by public, all kinds of public documents, they are not particularly safe. It is my opinion that if something were to happen at one of the plants, we could have some very, very severe problems with the whole of the weapons building or weapons modernization process.

The community could react, it could effectively shut that down by saying, no more, we do not want that in our backyard. I think that that raises for us some severe security problems.

And coming along with that are some very troubling budget issues as well, that to replace this complex is going to cost us a great deal of money. It is an item out there, that as we talk about the bow wave, you know, this is another piece of that that you have to look at.

I know you are familiar with this. I am raising it only to once again emphasize the importance of this one, the size and scope of the problem, both in a budgetary and a national security fashion.

And second, to say that it goes beyond just the reactor, which has gotten most of the attention. The Savannah River reactor, the Hanford reactor, have gotten the attention. But it is a problem that runs through the whole of the system.

Mr. CARLUCCI. You are right, Senator, it is a serious problem. I was not aware of the other aspects of the problem until you and I talked about it the other day.

I know that Secretary Herrington is seized with the issue, and that he and Secretary Weinberger have worked together on this problem.

And I would intend to continue this relationship and continue the support of Secretary Herrington's efforts to make sure we have the capability for the necessary plutonium and tritium production. And I will certainly undertake to take a look at the specific problem that you have mentioned.

Senator WIRTH. Secretary Herrington's problem, people have identified the problem and raised it up the list of priorities.

And I raise this in hopes that you can also help to turn up the heat, because it is one that we are all going to have to look at sooner rather than later.

Mr. CARLUCCI. I will try.

Senator WIRTH. Thank you very much. Thank you, Mr. Chairman.

Chairman NUNN. Thank you, Senator Wirth. Mr. Carlucci, up to this point we have not gotten into any personal habits and that kind of thing.

But the next questioner is the ranking member on the Judiciary Committee. So perhaps you should brace yourself. [Laughter.]

Senator Thurmond.

Senator THURMOND. Mr. Carlucci, I assure you I am not going to propound any questions of a nature that arose out of some of the Judiciary talks prior to our hearing.

As a matter of fact, have you not served in more important positions than any man in history?

Mr. CARLUCCI. I doubt that, Senator. [Laughter.]

I have not been able to hold a job for very long. [Laughter.]

Senator THURMOND. Well, you have done very well. I just have a few questions here.

Mr. Carlucci, it is my understanding that a national security decision directive has been issued dealing with low-intensity conflict. Are you familiar with its contents?

Mr. CARLUCCI. Yes, sir.

Senator THURMOND. How important is the Assistant Secretary of Defense for Special Operations Low-Intensity Conflict in the implementation of this directive?

Mr. CARLUCCI. He is very important. As you are aware, this position was established by statute. The Pentagon has moved ahead to set up a unified command.

The National Security Council, pursuant to the National Security Decision Directive, is moving to establish an inter-agency committee to work on low-intensity conflict. And the Assistant Secretary would be a key player in this undertaking.

Senator THURMOND. Mr. Carlucci, the United States seems to be on the verge of signing an arms control treaty of historic proportions.

I am concerned, however, about the policy of signing new treaties while violations of previous treaties go unresolved. What signal is sent to our allies concerning the importance of treaty violations if we sign another treaty without resolving past violations?

Mr. CARLUCCI. Well, Senator Thurmond, obviously we want to do everything we can to resolve violations of previous treaties, and the Soviet track record here is not very good.

And I can assure you the administration is doing everything possible to call the attention of the Soviets to these violations and to

insist that they be resolved. I myself have been part of Secretary Shultz' discussions with the Soviets on this issue.

I am not sure I would make that direct linkage that you make. We have to evaluate new treaties on their own merits. And we have to look at their verification provisions, and we have to discuss with the Soviets, as we negotiate these treaties, the issue of compliance.

And we have to weigh the benefits of the treaty overall against whatever weaknesses you may have in the verification and compliance area. So I do not think we can lay down absolute rules. It is really a judgment call that the administration and the Congress have to make collectively, when these treaties are negotiated.

Senator THURMOND. Mr. Carlucci, the Under Secretary of Defense for Policy, Dr. Ikle, wrote a piece for Foreign Affairs magazine concerning violations of arms control treaties.

The title of the article was, After Detection, What? In his article, Dr. Ikle recommended that we take such actions as necessary to restore the balance prior to the violations. What are your views on restorative measures?

Mr. CARLUCCI. I am not sure I fully understand the concept, Senator Thurmond. I have not read the article.

But if the Krasnoyarsk radar is a violation, I do not know what you restore to deal with that particular violation. But I would be most pleased to discuss that with Dr. Ikle.

Senator THURMOND. Would you look into that and then answer for the record that question?

Mr. CARLUCCI. Fine.

[The information follows:]

There is no doubt that Soviet treaty violations are serious issues that have eroded the value of past arms control treaties and made achievements of new agreements more difficult. As such, we continue to reserve our right to take proportionate responses to Soviet violations, including terminating in whole or in part past agreements.

For example, with respect to SALT II, the President determined in May 1986 that the United States would base decisions on strategic force structure on the nature and magnitude of the threat posed by Soviet strategic forces, and not on standards contained in the SALT structure which has been undermined by Soviet non-compliance.

Since we will continue to reserve such options for ourselves in the future, we do not believe the flaws of past agreements should preclude favorable consideration of the INF Treaty, which will include an even more stringent set of verification measures.

Senator THURMOND. Mr. Carlucci, you have been questioned about program terminations. Would you give us your views on base closures?

Mr. CARLUCCI. I would be delighted to work cooperatively with the Congress on that issue.

Senator THURMOND. Would you recommend to the Congress bases that you feel should be closed?

Mr. CARLUCCI. I would recommend to the Congress procedures that would enable us to close bases first, because there is absolutely no point in coming up with a list of base closures, given the legislative impediments to doing that. And if I were to do that, quite frankly, given the legislative impediments, it would be a self-inflicted wound.

But if the Congress is willing to establish procedures to allow bases to be closed, then fine, I would be glad to come up here and work with you on it.

Senator THURMOND. Do you feel we have some bases that should be closed in order to save money?

Mr. CARLUCCI. Yes, sir. You do not save much money in the first year. But you do save money in the outyears. Certainly there are a number of bases that could be closed that would save money in the long run.

Senator THURMOND. Mr. Carlucci, you have stated that you would prefer a smaller, better equipped force. If we do not find the program necessary to support the present force structure, what are your views on the Army's attempt to create new divisions within a constant end-strength?

Mr. CARLUCCI. Well, I would have to examine that, Senator Thurmond. I have made some comments here on force structure. But that is without prejudice to what the Army has done while I have been outside the Pentagon. I can assure you I will examine that with a critical eye. But I think it would be inappropriate for me to take a position on it until I have at least talked to the Army about it.

Senator THURMOND. I believe my time is up. I just want to wish you success in this new position. And I am sure you will fill it efficiently, like the other positions you have held in the Government.

Mr. CARLUCCI. Thank you, Senator Thurmond.

Chairman NUNN. Thank you, Senator Thurmond. Senator Kennedy.

Senator KENNEDY. Thank you, Mr. Chairman. I too want to congratulate Mr. Carlucci. I think this is actually your seventh confirmation hearing through a wide variety of public service. I join in commending you.

In the time I have, Mr. Carlucci, I would like to focus on the Persian Gulf. What do you understand to be our objectives there?

Mr. CARLUCCI. We have multiple objectives, Senator Kennedy.

To ensure the free flow of oil, protect our strategic interests, to try and bring about an end to the Iran-Iraq war, without victor or vanquisher. And to build a stable security relationship with the moderate Arab States. And I would view all those objectives as mutually-reinforcing.

Senator KENNEDY. Well, the fact is that only a small percentage of the oil has been in any way threatened from flowing through the Strait of Hormuz.

We are only flagging a number of ships that carry less than 10 percent of the total oil that comes through the Strait of Hormuz.

When we are reflagging the Kuwaiti ships, which are identified with Iraq, one of the belligerents, how do you think that helps us to bring termination to the war between Iran and Iraq, which I think is a worthy ambition, given the fact that there have probably been about 1 million people that have been killed in that conflict? But how does that really advance our ability to terminate?

Mr. CARLUCCI. Escorting the U.S.-flag vessels that were formerly Kuwaiti vessels is not a measure directed at terminating the war. It is a measure directed at a traditional function of the Navy, which is to escort and protect U.S. ships.

But you have to look at oil in a broader context. It is not just the oil flowing out through the gulf that is at stake here. It is the oil flowing out through pipelines as well.

Senator KENNEDY. Just at that point, you are not suggesting that we are going to be in a position of sending American troops in to guard various pipelines?

Mr. CARLUCCI. No, no. Let me finish. What I said, as a policy goal, was to enhance our security relationship with the moderate Arab States.

Those Arab States are clearly threatened by Shia expansionism, or Iranian expansionism, if you will. And all you have to do is look at the measure that came out of the Arab Conference just yesterday to underscore that point.

Reflagging Kuwaiti ships was a decision made pursuant to U.S. law that fit within the context of our overall policy of working with the moderate Arab States to help them in their legitimate security needs.

Senator KENNEDY. Well, where is this commitment going to lead us? If you are talking about existing Iranian fundamentalism, and Shiite activity, does this mean that this is an open-ended commitment?

Are we talking about the possibilities of intervention with American combat troops?

Mr. CARLUCCI. There are two commitments I would describe as open-ended.

One is the commitment to escort U.S.-flag vessels on the high seas. The other is the commitment to work with moderate countries in an area of strategic interest with us. This does not imply putting U.S. troops in the area.

Indeed, the cooperation that we are receiving from the moderate Arab States is of a degree that was unimaginable a year or two ago. Those States are moving more vigorously to meet their own security needs.

In no sense did I mean to imply that we are the area's policeman. What we are trying to do is to help our friends stem the tide of Shia expansionism and to work actively in the U.N.

And let me underscore this. It is a two-track policy. To work actively in the U.N. to bring about a cease-fire. Not just in the gulf, but on land, sea, and air. And yesterday's resolution coming out of the Arab Conference will be very helpful on that score.

Senator KENNEDY. It is clear that the Europeans and the Japanese have security interests in that part of the world. How long before you see some kind of multinational force assume the responsibilities which the United States has assumed in terms of the transit of oil and in terms of stabilizing the various security interests?

Mr. CARLUCCI. Senator Kennedy, our allies currently have more ships in the gulf than we do. There are British ships, Dutch, Belgian, French, and Italian naval vessels in the area, protecting their ships.

Indeed, some of the ships the British are protecting are reflagged Kuwaiti ships. There is a growing degree of cooperation on the scene. I do not think any kind of formal multilateral force is needed, because the commanders on the scene are dealing with the situation in a very sensible way.

Senator KENNEDY. Well, do I understand from what you are saying, then, we are not pursuing some kind of a multilateral United Nations force that would ensure the free access of the seas in the Persian Gulf?

What I understand you are saying is that we are going to continue with what we have at the present time and you are not prepared, at least this afternoon, to indicate what events would dictate when that open-ended commitment is going to terminate?

Mr. CARLUCCI. No, I did not mean to imply that. We are working very hard at the U.N. to get the implementation of Resolution 598, which would call for a withdrawal of forces, and which would end hostilities in the Persian Gulf.

And indeed, it is our current intent to move toward a resolution that would impose sanctions on the recalcitrant party. In this case, Iran. But we are not pursuing the resolution at the U.N. per se, setting up a multilateral U.N. force.

The Soviets have a proposal along those lines. But we reject it. And as far as I can see, the Arab States have not accepted that.

Senator KENNEDY. My time is up. But I just wonder, I just had a final question in this area.

Do you foresee any circumstances where the War Powers Act would apply in the Persian Gulf? And if so, when?

Mr. CARLUCCI. We have sent two letters to the Congress, giving the Congress notification of incidents in the Persian Gulf, consistent with the War Powers Act.

Previous administrations have not recognized the constitutionality of the War Powers Act.

Senator KENNEDY. Should that not be tested in the courts?

Mr. CARLUCCI. I would be delighted if it could be tested in the courts. But the administration has no standing to bring it into the courts.

Senator KENNEDY. Then would you support the standing of Members of the Congress to test whether that is a constitutional action? Would that be the position of the Justice Department?

Mr. CARLUCCI. I do not know if that is the position of the Justice Department.

Senator KENNEDY. But you would support that.

Mr. CARLUCCI. Personally, I am testifying in my personal capacity today. I personally would welcome a court test of the War Powers Act.

Senator KENNEDY. Mr. Chairman, my time is up.

Chairman NUNN. Senator Exon.

Senator EXON. Mr. Carlucci, I suggest that one of the most difficult parts of your new responsibilities would be settling the priorities with the squeezing down of the defense budget.

We are all very much concerned about that. And without getting into a great deal of specifics, I would just like to ask you on one or two items that are extremely costly, as far as the future is concerned. Where you think the priority, for example, should be with Midgetman, a relatively expensive new system that is being discussed in the Congress today?

How do you feel about that? Where does the Midgetman fit in your list of priorities, given the constricted size of the defense budget?

Mr. CARLUCCI. It is very difficult for me, Senator Exon, not having been in the job, to list priorities. Certainly it is desirable to have mobile missiles, because they enhance strategic stability.

There is a verification problem on them. If you are talking about arms control agreements, I think the mobile missile is a desirable thing. It is in the President's budget at this point. I support the President's budget.

Once we find out what the level of funding is going to be for 1988, and we are beginning to get some idea as this committee votes and as the deliberations, the so-called summit deliberations continue, we will have to reexamine those priorities.

We currently have two mobile missiles. Whether it is desirable to continue with two mobile missiles in the budget or not is something I would examine very closely. By I do not think I could go further than that at this kind of hearing.

Senator EXON. Well, it would be very reasonable to assume, with the restrictions of the budget, that we could go ahead with two mobile missiles, would it not?

Mr. CARLUCCI. It would not be? I think there is serious question on that, yes.

Senator EXON. Thank you. I want to congratulate the Senators, the gang of four that have been working on the defense authorization budget. I have been kept abreast of those.

Let me ask one other matter. What do you see as the minimum required funding for the SDI program? Is it somewhere in the \$3.8 billion to \$3.9 billion range for next year?

Mr. CARLUCCI. I would think we would have to get at least \$3.9 billion.

As you know, the President requested something like \$5.9 billion. Certainly the House Appropriations mark is disastrous. So I would strongly urge the committee to give us something around the \$4 billion level. Otherwise the program will be very severely constrained.

Senator EXON. Mr. Carlucci, thank you. My last question has to do with the INF Treaty.

There have been a lot of questions raised about that. I for one have confidence that President Reagan would not enter into an agreement, with the support of yourself and others who are going to have a key role to play in this, unless it was verifiable to our satisfaction. I am convinced of that.

Therefore, I see no reason now why I would not, as one Member of the Senate, be in strong support of the treaty although I suspect it is going to be challenged when and if it is signed, and when and if it comes to the U.S. Senate for confirmation.

Now, having said that, it is my view that if we enter into an INF agreement, and if it is approved by the U.S. Senate, that in the short-range, at least, the conventional balance remains more advantageous to the Soviet Union. Because I think it takes away some of the deterrent that we have had there.

If that is a fact, and I think it is, then it seems to me that while this treaty is being negotiated, very shortly thereafter there has to be an understanding among the NATO allies that if an INF agreement comes to pass, it is going to be necessary for NATO to do a better job of beefing up the NATO conventional forces than they

are right now. And I am wondering if you agree with that, number one.

And number two, do you agree that after an INF agreement it would be important for the President to perhaps call a meeting of the NATO alliance to discuss this very necessity, which I think would be a necessity, if INF comes to pass?

And I am wondering if in the meantime you would think that during these negotiations it might be well for, at least on an informal basis, for the defense ministers of the NATO countries to begin to get together to generate some talk in this area that I think is going to be necessary.

Mr. CARLUCCI. Well, first of all, Senator Exon, I do not agree with the premise, if I understood you correctly, that this treaty gives an advantage to the Soviets.

Indeed, the ratio of warheads they would lose compared to those we would lose is six to one. And so I think there is every argument one can make that this treaty is to our advantage.

Second, let me make the point that the weapons that will be taken out on our side by this treaty are not really weapons that have much to do with the conventional balance. They are weapons that would have hit the Soviet Union, which is one reason that the Soviet Union was so concerned and willing to negotiate on the SS-20s.

Having said that, I agree with your thesis, which has been expounded here at some length by other Senators as well, that we have to look at the whole issue of conventional capabilities, conventional modernization, as well as conventional arms reduction.

My understanding is that the NATO defense ministers have discussed this issue at some length, and Secretary Weinberger has done an excellent job at this. And it certainly would be my intent to continue this effort.

I cannot really forecast what the President's schedule would be. But I would think that at some point in time, it might be appropriate to have a NATO summit at which this issue, among others, is discussed.

Senator EXON. Well, thank you, Mr. Carlucci. I am not sure that I agree with you.

It seems to me that the pulling out the Pershing and the cruise missiles, which has been a significant deterrent to the Soviet superiority in tanks and numbers of troops would be an advantage to the Soviet Union in that it reduces, in my opinion, our deterrent value considerably.

Now, I am willing to take that risk because nothing is risk-free in this world. I am not playing down the treaty. We may disagree on what the balance will be.

But I am very pleased to hear that you have a full understanding of that and recognize the need for further strengthening of the conventional forces of the NATO alliance in the future.

Thank you very much, and I have used up my time, Mr. Chairman.

Chairman NUNN. Thank you, Senator Exon. Senator Warner.

Senator WARNER. Thank you, Mr. Chairman. Mr. Chairman, we have now established the next few days' schedule for the hearing

on issues raised by the proposal to test the Trident II system with a substantial number of warheads.

I just would ask that prospective Secretary of Defense what procedure, not substance, but what procedure you hope to follow subsequent to the hearings here on the Senate side?

Mr. CARLUCCI. Subsequent to these hearings? Or the hearings on testing the Trident II?

Senator WARNER. The hearings that we have proposed to have. Are you going to address the issue and review it?

Mr. CARLUCCI. Certainly, I will review it. Yes, sir. I do not know what your hearing date is, or, assuming confirmation, whether I will be Secretary at the time or not.

I know Secretary Weinberger is anxious to testify on this issue, and I would hope that the committee would hear him, whether or not he is Secretary. But I intend to be my own man as Secretary, and I will review all of these issues.

Senator WARNER. That is sufficient for my purposes. Thank you, Mr. Chairman.

Chairman NUNN. We have not set a firm date. We hope to have a hearing on that subject sometime in the near future, perhaps as early as next Thursday or Friday. But it depends upon getting the conference through and so forth.

Senator Kennedy.

Senator KENNEDY. I think Senator Quayle is probably ahead of me.

Chairman NUNN. Well, we are switching back and forth.

Senator KENNEDY. Mr. Secretary, just to go back very quickly to the Persian Gulf. As I understand the concern that the administration has about moving toward a United Nations force in the gulf, it involves the Soviet Union being a participant. But, it is my understanding historically that when you have used any of these U.N. forces, that both the United States and the Soviet Union have not been involved. If you had a small and effective U.N. force in the Persian Gulf and its neutrality was violated, this would open up a range of different options, including economic embargoes, or other kinds of diplomatic initiatives.

And that has, at least as far as I am concerned, a preferable ring to it instead of what I consider to be a reasonably open-ended commitment with all of the dangers that exist in a very unsettled part of the world.

On another point let me ask you, without accepting the War Powers Resolution, the Congress has a role in terms of reviewing our policy by the consideration of the appropriations.

And the next time that that would come would be the supplemental budget request to cover the Persian Gulf operations. Do you know when that request is going to be submitted?

Mr. CARLUCCI. I do not know, Senator Kennedy, when that would come up.

Senator KENNEDY. It is not relevant to your confirmation process, but could you provide that for us?

Mr. CARLUCCI. Yes, sir. I would be pleased to provide it for the record.

[The information follows:]

No decision has yet been made concerning whether a fiscal year 1988 Supplemental request will be necessary. I will keep the committee informed if and when this issue arises.

Senator KENNEDY. Just a final point, and this is just a general comment.

I thought that the Senator from Virginia, when he asked you about tying together the budgets and missions really raised what I consider to be an important and substantial point.

When you raise the question about the House mark being completely unsatisfactory in terms of our security interests, you did indicate that the House mark was vastly too low, as I understood it?

Mr. CARLUCCI. I think we were talking about SDI, if I recall correctly. And I indicated the House mark was way too low on SDI.

Senator KENNEDY. Well, what I was thinking was more general. What about the House mark for the whole DOD appropriations bill?

Mr. CARLUCCI. In terms of DOD, the House bill I think will cause serious problems. It is very difficult for me to pronounce myself on budget levels at this point.

Senator KENNEDY. I just wanted to raise a point and get your reaction. It seems to me in many of these exchanges we raise the wrong questions.

If the Senate or the House are going to establish a budget mark in terms of national security, then you ought to be able to come back and say to us, well, we can defend certain commitments within this budget, but not others.

And that elevates to the political decisionmakers, exactly what we are prepared to defend, and what we are not prepared to defend. Rather than having the Secretaries of Defense come up here and offer a blanket concept that we want to defend everything all the time every place in the world.

Just in terms of accountability, it seems to me that if we do say, look, you put X and I want to tell you as the Secretary of Defense, talking with the Joint Chiefs of Staff, we can do Western Europe, we do the Middle East, we do the Far East, but we cannot do other areas of the world.

And that permits, at least, within a responsible kind of a dialogue, obviously you cannot say you are going to leave X part of the world tomorrow if we are not going to get our budget through.

But at least I think it begins to sharpen the discussion by connecting specific national security interests to the national defense budgets. I think it is extremely difficult for the American people to understand the significance of defense budget figures in isolation.

The Secretary of Defense needs to correct these isolated budget figures to where we are going to be at greater risk in terms of the world community.

It seems that we have lost the American people. They have become confused about these numbers—not knowing who is right, who is wrong, and why X figure provides security and Y figure does not, and what it all means in terms of the real defense interests of the United States.

It becomes more of a blur than an enlightened kind of security debate or interest. And that is why I thought that the points that

Senator Warner made in terms of allocating budget and missions is something that I am hopeful that we will be able to get at.

I think it is something that the chairman has been attempting to try and do to some extent. Perhaps not exactly in the way that I expressed it. But certainly that is one of the reasons that I have been strongly supportive of his efforts to focus the committee on broad strategic concerns. I do not know if you have any comment.

Chairman NUNN. Senator Kennedy, would you just yield for a brief moment on that?

The roles and missions that Senator Warner raised and you raised is an important subject. I agree with that completely.

We have under the Defense Reorganization Act, the Goldwater-Nichols Act that passed a year ago, there is a requirement that the Chairman of the Joint Chiefs make a roles and missions assessment and report as of October 1, 1988.

So the Secretary of Defense, I am sure, will be involved in the deliberations with the Chairman on that one. And I think it is a very important one and it was very sensitive. Former Chairman of the Joint Chiefs, testified that that is one of those areas that are so sensitive and so controversial that it always has been one they put in the top drawer and slam the door on, that they do not like to do that.

And of course, that has got to be done, particularly, even if we did not have the budget situation we have got now, I think it needs doing. So that will be due next year.

Senator WARNER. Just to follow on, I have studied the subject a great deal, and the last time we really made any assessment along these lines is probably when we created the Department of the Air Force. It goes that far back.

You will be long remembered as the man that will start it over.

Mr. CARLUCCI. I am not sure I would like that on my epitaph, but it is an important area. I am prepared to work with you on it.

But let me emphasize a point I made at the outset, that this is a long-term undertaking. It is not something one does lightly.

Senator WARNER. And it requires the cooperation of the Congress.

Chairman NUNN. We will work that, roles and missions and the base closings, simultaneously. [Laughter.]

Senator KENNEDY. My time has expired. But could I just mention one other point, Mr. Secretary?

Often, as a member of this committee, we have come down to where you have \$2 billion or \$3 billion that have to be cut in order to reach a certain mark. And I think there is a uniform question: Ultimately, what would be in the best interests of our security?

I mean, what does the Secretary of Defense really feel about it? And, you know, in the time that I have been on this committee, and it has been a few years, we never get that kind of answer in a response.

And I just raise it as a personal observation. I am not going to ask you whether you will give it to us or not, because obviously this involves some policy reasons for not doing it, although they are difficult to understand.

And I would hope you would give some thought to that as a way of proceeding.

Mr. CARLUCCI. Senator, you and I have had this dialogue before on at least two occasions, as I recall. Once when I testified in my private capacity.

And the executive branch, let me point out the executive branch does go through the process of setting priorities, and hopefully we will do it better as a result of the national security strategy document and the recommendations of the Packard Commission and Goldwater-Nichols. And we do all this in sending up the budget.

Now, the Congress has a responsibility to look at that budget and set its own priorities, and enter into a dialogue with the executive branch. And I am more than happy to work cooperatively with the Congress on this.

But the Congress should not expect the Secretary of Defense to come up the day after the budget comes up and totally ignore the budget and say, I am setting different, if you want to cut here is where you really cut that budget, Senator Kennedy or Chairman Nunn.

Those kinds of things have to be part of an overall dialogue, and clearly there are some behind-the-scenes discussions where we can reach a meeting of the minds.

Senator KENNEDY. Thank you very much. Thank you, Mr. Chairman.

Chairman NUNN. I might just add that it would help enormously if we had a definite number from the Congress and the administration on the second year.

If we know what that number is going to be next year, then from the very beginning we will be at least dealing with the same budget scope. And that would be the first time we have had that in several years.

Mr. CARLUCCI. You could have that number coming out of these negotiations in the next day or two.

Chairman NUNN. I hope so. Senator Quayle.

Senator QUAYLE. Thank you, Mr. Chairman. We have heard a lot of discussion about the conventional imbalance and the conventional arms control discussions that should go on after INF.

I wonder if very briefly I might get your comments about preserving the nuclear deterrent in Europe, and particularly in the implementation of Montebello?

Mr. CARLUCCI. At the time of Montebello, Senator Quayle, my understanding was that there were about 4,600 nuclear weapons in Europe.

The INF agreement will take out approximately, in round figures, 500 to 600 of those. So you have still got 4,000 weapons left. Battlefield weapons, FB-111 dual capable aircraft. So there is a lot of modernization yet to be done.

The President has made it very clear that he does not intend to negotiate on nuclear weapons below 500 kilometers, until such issues like the conventional balance have been addressed.

Indeed, the foreign ministers at Reykjavik set up a framework for these negotiations proceeding from INF to START to conventional to eventually the below 500 category of weapons. So it is a ways off.

I think we have to work very closely with our European colleagues on the modernization of the remaining nuclear weapons.

As you are aware, it is a sensitive political issue, particularly in Germany. But I think there are solutions to this problem.

Senator QUAYLE. An issue that Secretary Weinberger has been promoting, basically a strategy, is the whole idea of competitive strategy.

That we ought to look at Soviet weaknesses and try to adopt going back to the missions and roles, particularly systems, that would go to those weaknesses. Have you given any thought about competitive strategies?

And do you intend, as Secretary of Defense, to continue that idea?

Mr. CARLUCCI. Indeed, that idea is embodied in the national security strategy document that has been submitted to the Congress.

Secretary Weinberger has spoken personally to me about this. And I have indicated my continuing interest in it. I think it is a good idea.

Senator QUAYLE. Under Secretary Taft has created a task force to look at the potential of moving toward more robust, flexible autonomous, accurate missile guidance systems.

As a matter of fact, for the first time this defense authorization bill will have a line item on improving accuracy in our guidance system, with the idea of perhaps developing such systems and getting down to zero CEP.

I just would like to ask your thoughts on continuing that task force and trying to move ahead as quickly as possible, to see what autonomous, robust, flexible technology and guidance is out there on a zero CEP basis?

Mr. CARLUCCI. I am not familiar with that task force, but it sounds like a fine idea to me. I would endorse it.

Senator QUAYLE. He has created it, and I think they have done a lot of good work. And I hope you take a look at it with the idea of perhaps maintaining it.

Mr. CARLUCCI. I would be delighted.

Senator QUAYLE. Two other questions, both related to INF.

One, given the fact that we are not going to negotiate, at least now or in the foreseeable future, below the 500 kilometers, and also knowing the Soviet strategy as far as going to our important military targets early on in any kind of a conflict, do you believe that we ought to push forward along the lines of extended air defense that German Defense Minister Woerner and others have talked about?

And do you see an importance of extended air defense, particularly against their short-ranged ballistic missiles and other things, cruise missiles, to look at that as a possible implementation of a post-INF environment?

Mr. CARLUCCI. I have not talked specifically to Defense Minister Woerner about this, so I am not totally familiar with the concept. In principle, the follow-on forces attack concept, if that is——

Senator QUAYLE. I am thinking more of having a defensive capability and looking at defenses, ATBM, for example.

Mr. CARLUCCI. Oh, yes.

Senator QUAYLE. And the mix, and the equation, particularly in a post-INF environment. Not just the improved Hawk, which we have, or the Patriot.

I am looking at perhaps more sophisticated defensive capabilities. Not just having point defense, but having extended defense. Have you given much thought to that?

Mr. CARLUCCI. I personally have not. But I would be pleased to.

Senator QUAYLE. My own personal bias is that it probably becomes even more important in a post-INF environment, and I look forward to your thoughts on that.

Finally, in relationship with the INF Treaty, most of the discussion and the concern and the anxiety is not necessarily with the treaty itself, though I think that there will be and we still do not know what the final details of the treaty will be, particularly in the area of verification and on-site inspection, things of that sort.

But given that the main focus has been on what happens now, what happens if the treaty is approved by the Senate, we begin to operate under it, where do we go from there?

Assuming that that is the main interest and the main stage here in the Senate, I would imagine, and I would hope that you would perhaps understand and maybe support, we will wait and see what happens, that there are going to be certain understandings that will be attached to that treaty.

Probably some reservations, some ideas of what we ought to be doing in a post-INF environment. And I just bring that to your attention, not saying that there is going to be specific things that are going to be linked.

But I think that there will be this idea, and I guess that is a bad word, linkage. But let me just say this, that I am sure that there will be a lot of discussion about what kind of understanding we have, what we are going to do after the INF Treaty.

There will probably even be some reservations. So a couple of questions have gone in that direction. I just wanted to go on record to say that I intend, or I believe that there will be some of these types of amendments forthcoming.

We look for your comments on that. And hope that we can work with you as Secretary of Defense to come up with some ideas of what we ought to be doing in a post-INF environment. I think it is critical.

Mr. CARLUCCI. I think it is a very fair question. And I think the dialogue that would accompany the ratification process would be very healthy.

And that is somewhat different from amendments. But, amendments and reservations one would have to look at both in terms of their merit, but also in terms of what they do to the treaty as a whole and our ability to negotiate treaties in the future.

But let me add and emphasize that I thoroughly, and I know the President feels this too, respect the Senate's role in the advice and consent process. Nobody expects the Senate to be a rubber stamp on this or any other treaty.

And I think the kind of debate that will surround the treaty ratification process will be a healthy debate. We look forward to it.

Senator QUAYLE. Thank you, Mr. Chairman.

Chairman NUNN. Thank you, Senator Quayle. Senator Warner.

Senator WARNER. Just one last question, Mr. Carlucci. As you look at other tough issues over there, I think this Senator and a

number of us on this committee are concerned about the disparity among the services in the ratio of officers to enlisted men.

This is another hot potato, but it has got to be addressed, and I hope you will add this to your list of things to do.

Mr. CARLUCCI. Senator Warner, I had a discussion the day before yesterday with Senator Glenn on this. I am fully acquainted now with his concerns, the concerns of the committee.

I have also heard in a very vigorous way from the services, who have their own set of concerns. And at this point I am not prepared to go any further than to agree with you that it is a hot potato.

But I will work with the committee to try and resolve this issue.

Senator WARNER. It is one of those turf battles. But it must be fought, because one branch of the service is beginning to really, really suffer. And you know which branch that is.

Chairman NUNN. I am not sure I do. [Laughter.]

Senator WARNER. Well, come with me to the Casbah here, my friend.

Chairman NUNN. Senator McCain.

Senator MCCAIN. Thank you, Mr. Chairman, Mr. Carlucci, I would like to again add my words of congratulations to that of all the other members of the committee.

I am proud to have had the opportunity of working with you on many occasions, in many of the hats that you have worn. In fact, I believe I once worked for you, which was indeed a pleasure.

And I am sure you will do a superb job, and I think that one of the most important aspects of your job is your proven ability to work with the Congress. I would suggest these skills will be very much needed in the next year.

Let me just ask you a couple of questions, if I could, about the Persian Gulf. Could you give me a scenario, a likely scenario, where the United States can over time reduce substantially our presence in the gulf?

Mr. CARLUCCI. Certainly. The ideal scenario would be for the Iranian Foreign Minister, when he and the Iraqi Foreign Minister meet, I think this week or next—

Senator MCCAIN. I do not mean to interrupt, if I could, Frank, but could you give me a likely scenario? Not an ideal one, but a likely one.

Mr. CARLUCCI. A likely scenario would be that we move to the second resolution, which would bring about an arms embargo on Iran.

And Iran would come to realize that its acts are increasingly isolating it from the world and it cannot achieve its goals through violence, and that they would decide to except Resolution 598 and a cease-fire could be brought about.

If the world community can stand firm on this issue, and I did not get a chance to respond to Senator Kennedy, the Soviets are not being very cooperative at this point.

But we are not holding up on pressing forward on the second resolution. We intend to press forward. If that can happen, then clearly we can reduce our presence in the gulf.

Let me say, as Secretary of Defense, in the absence of some reduction of the threat, I would be very much opposed to weakening our capability in the gulf. If we are going to put forces in an area,

we have to be certain that they have the capability to defend themselves.

And I know you did not mean to imply that by your question, but I wanted to go on record here as saying that as long as we have a political commitment, a strategic commitment over there, and as long as there is a threat, I, as Secretary of Defense, am going to insist that the forces there be adequate to deal with the threat.

Senator McCAIN. I understand that. But, you felt that the most likely scenario is one where the U.N. resolution would be implemented, and where an embargo of arms shipments to the Iranians would then compel them to reach some sort of agreement with the Iraqis. Is that correct?

Mr. CARLUCCI. Hopefully get them to realize that their best way out is the acceptance of Resolution 598, which is a resolution that has already been passed by the U.N., calling for a cease-fire, withdrawal to international boundaries, exchange of prisoners, and a commission to investigate the causes of the war.

Senator McCAIN. One of the greatest causes of concern that the American people have, in my view, and that the people of Arizona are concerned about, is the fact that the burden of defending the gulf is not being shared equally by our allies.

I am particularly concerned that one country that is getting 60 percent of the oil from the gulf that we are protecting. That country is Japan, and so far, the only contribution that we have seen is that they are willing to give us some kind of technical assistance in searching for mines.

Mr. CARLUCCI. Well, there are a couple of other things. They have increased their aid program to Oman, and my understanding is that they are also increasing their host nation support.

As you know, they do not really have the military capability to put into the gulf, and they have some constitutional restrictions. But they have assured us they are prepared to do whatever they can.

I would like to see them move more rapidly, to be quite candid with you.

Senator McCAIN. I would like to see them move more rapidly. Some of their statements, signals have been very mixed as to what they are willing to do.

Even the host nation support that they have committed to in my opinion is minimal. I would suggest that when you do meet with them that you make it very clear that they are endangering the kind of protection we provide to the Japanese.

I also would suggest that if there is any action contemplated in the gulf which is escalatory in nature, that there be full consultation with the Members of Congress, so we do not have to get up the next morning and fight the War Powers Act again.

Which brings me to the next question, which is, in your opinion, is the War Powers Act unconstitutional?

Mr. CARLUCCI. I am not a lawyer, Senator McCain. But I have discussed this at length with the lawyers and I am persuaded by their arguments that Provisions 5 (b) and (c), I believe they are, are indeed unconstitutional. Now that does not mean the whole act. There are unconstitutional provisions there.

I have a further problem with them in the sense that I think they are self-defeating. I have a serious problem with the formulation of the War Powers Act.

Senator McCAIN. Would you support court actions to test this? I know there is one going on right now, but I am thinking of one that would resolve this issue as quickly as possible?

Mr. CARLUCCI. Without prejudices, the Department of Justice, whose position I am not aware of at this point, I personally would like to have this, the War Powers Act, tested in the courts.

Unfortunately, the administration, as I understand it, has no standing to bring the issue before the courts. And I am not sure that the current case will decide the constitutional issue, and I understand it from reading the newspapers.

Senator McCAIN. As I understand it, in order to test this act expeditiously, there might have to be the War Powers Act triggered by the administration, and the clock begun, for there to be an expeditious test in court. In any case, I would hope that we could find out the proper vehicle, and get this issue resolved as soon as possible.

I think such a court decision will make not only your job a lot easier, but that it sends the wrong signal to the men and women who are serving in the gulf to hear this constant and all-too-often acrimonious debate. I think you would agree.

Mr. CARLUCCI. Senator McCain, I could not agree with you more on that. It sends the wrong signal to our men and women, it sends the wrong signal to our allies, and it sends the wrong signal to the Iranians to drag this debate on.

Similarly, though, invoking the War Powers Act would send the wrong signal, because it means automatic withdrawal after 60 days unless the Congress votes affirmatively to keep our forces in.

So it would automatically introduce another period of uncertainty, when the very purpose of putting military forces in a region is to demonstrate our resolve. So I think the act in that sense is self-defeating.

Senator McCAIN. Thank you. Mr. Chairman, I just have one more question. My time is up.

Chairman NUNN. Go ahead, if you would like to.

Senator McCAIN. Did you happen to see, I am sure you did, the article in the Washington Post that says the United States has delayed a test of 12-warhead version of the Trident II missile?

Mr. CARLUCCI. I have not seen that particular article. But I have seen a lot on this subject.

Senator McCAIN. Well, it says that there has been an agreement made, a sort of a "package deal," where Congress would drop its language requiring the administration to adhere to the 1972 ABM Treaty in return for the administration agreeing to only test in a list of previously provided areas. It also says that Congress would drop its language calling for a return to allowable limits of strategic weapons if the administration would dismantle the Poseidon submarine in return. Do you know anything about this so-called package?

Mr. CARLUCCI. I think that article is an inaccurate description of some of the discussions that the chairman and Senator Warner and Congressman Aspin and Congressman Dickinson and I have had.

But just from what you have read, it does not sound like an accurate description of those discussions at all.

Chairman NUNN. I would agree with that. The delay on the testing of the Trident with 12 warheads, the Trident II missile, has nothing whatsoever to do with those other issues.

Mr. CARLUCCI. Yes.

Chairman NUNN. Nothing.

Mr. CARLUCCI. Nothing. I agree with that.

Senator McCain. Well, I certainly hate to impeach the credibility of our most important newspaper, Mr. Chairman. So I will drop my line of questioning. [Laughter.]

Thank you, Mr. Chairman.

Chairman NUNN. I think the accurate way of describing the agreement on the Trident testing is to say that the administration has agreed that there will be no test until such time as our committee has had a chance to have a thorough hearing on the subject, and that we would be in consultation with the administration.

And we have not set a precise date for that hearing, but that is the agreement we have had. And I think Mr. Carlucci would agree with that.

Mr. CARLUCCI. Yes, sir. I agree.

Senator EXON. Could I be heard for just a second on that?

Chairman NUNN. Senator Exon.

Senator EXON. Since that issue has come up, Mr. Carlucci, I have been kept posted on these negotiations that you have been involved with, and I complimented you for your part on it. I was surprised to read that in the press.

But there are an awful lot of things from time to time that put a little different slant on them in that same story. It indicated that there was some agreement that the timing in fact of this hearing had something to do with that.

I happen to know that it did not have anything at all to do with it.

Mr. CARLUCCI. Nothing whatsoever, to my knowledge.

Senator EXON. I just want to say that in that regard we have held several discussions and briefings on this matter of the testing of 12 warheads.

There is, I can say, considerable discussion going on at the very top levels of the administration on this subject.

Is it in the interest of the United States of America with regard to our ongoing negotiations with the Soviets to, if we tested, just once, 12 warheads? If we do, might we be caught in a position of having all our D-5s, wherever they are, regardless of how many warheads they have on them, to be claimed by the Soviets that they had to be the equivalent, 12 warheads? And so it is an arms control issue.

But I think that there are legitimate reasons for discussion on it. And I think I also have a basic understanding of the wishes of the Department of Defense, with regard to our overall deterrence.

It has to be worked out, and I believe that you and the administration have been forthcoming with the Congress on this.

And I believe that the tentative arrangements that have been worked out between you and the group of four Senators that you

mentioned is the best way to go. I think that that matter is going to resolve itself in an amiable manner.

At least I hope so. And I just want to say thank you for being as forthcoming as you always are, Mr. Carlucci, in your testimony here today. And I look forward to working with you on the important matters that are about to fall into your direct hands. Thank you.

Mr. CARLUCCI. Thank you, Senator Exon.

Chairman NUNN. Thank you, Senator Exon. Mr. Carlucci, I have two or three other questions here.

One question relates to the offer we made at the Reykjavik summit conference relating to the elimination of all strategic ballistic missiles. Is that offer still technically on the table in Geneva?

Mr. CARLUCCI. It is not technically on the table. We have shifted to talking about the 50 percent reduction.

We have said that that might be a long-range goal. But let us focus on the 50 percent reduction.

Chairman NUNN. So as a practical matter, then, it is not being discussed.

Mr. CARLUCCI. It is not being discussed as a practical matter.

Chairman NUNN. But it has not been withdrawn?

Mr. CARLUCCI. I would have to get you something for the record on whether it has been formally withdrawn.

Chairman NUNN. Could you submit that for the record?

Mr. CARLUCCI. My thinking is that it has been withdrawn. Either that or it was never put into draft treaty form. I do not think it was ever put into draft treaty form.

Chairman NUNN. If you could supplement that for the record, I would like to have it clarified.

Mr. CARLUCCI. All right, sir.

Chairman NUNN. I would like to know exactly what the position is. We will have other questions for the record.

[The information follows:]

STATUS OF THE U.S. REYKJAVIK PROPOSAL TO COMPLETELY ELIMINATE BALLISTIC MISSILES

At his October 1986 meeting in Reykjavik with General Secretary Gorbachev, the President, in response to the Soviet desire for a 10-year commitment not to withdraw from the ABM Treaty, and consistent with our priority on radically reducing the most destabilizing systems, proposed to accept such a commitment through 1996. At the same time we would agree that, during that time, all U.S. and Soviet offensive ballistic missiles of whatever range or armament (not, as the question suggests, only strategic ballistic missiles) would be eliminated. After the 10 year period, either side would be free to deploy advanced defenses.

This proposal was subsequently tabled in Geneva. It remains on the table as one of several U.S. proposals designed to ease the transition to a world in which deterrence increasingly is based on defenses, which threaten no one. Since the Soviets have shown no interest in this proposal, as a practical matter we are not pursuing it and are concentrating our efforts on completing an INF agreement and negotiating a START Treaty providing for 50 percent reductions.

Chairman NUNN. I see Senator Shelby has come in, and if we do submit those questions for the record after your confirmation, or if you have to answer them after your confirmation, if it moves forward expeditiously, I assume we would have just as much cooperation after you are confirmed as we would before.

Mr. CARLUCCI. Yes, sir.

Chairman NUNN. Is that a dangerous assumption? [Laughter.]

Mr. CARLUCCI. No, sir, it is not a dangerous assumption.

Chairman NUNN. We may have some questions coming tomorrow, and we hope to move this expeditiously, unless there is some other objection.

Let me ask one further question, then I will shift to Senator Shelby. You are familiar with what has been called the Nitze criteria on SDI, and it is my understanding that President Reagan has endorsed that, or issued an executive order.

Mr. CARLUCCI. It is in a national security decision directive, I believe.

Chairman NUNN. It also is part of the law, I believe.

Mr. CARLUCCI. It is, yes.

Chairman NUNN. Well, whether or not that is the case, the President has issued that. Do you agree with that criteria, that no phase of SDI should be deployed unless it is survivable and cost-effective at the margin?

Mr. CARLUCCI. I agree with that. I think we are a ways away from being able to make a judgment about cost-effectiveness at the margin.

I think we can make judgments about general cost-effectiveness at this point. But until we have gotten further down the road on the R&D, it becomes very difficult to make judgments on what is at the margin.

Chairman NUNN. One other question. Do you believe that the goal of SDI is to enhance deterrence, or to replace deterrence?

By deterrence, I mean nuclear weapons and the ability to retaliate.

Mr. CARLUCCI. I think it is to enhance deterrence. I think one could envisage a phase somewhere down the road where you could eliminate nuclear weapons, but we are nowhere near that point now.

But certainly in its initial phases one has to look upon SDI as enhancing deterrence.

Chairman NUNN. Do you believe deterrence is immoral?

Mr. CARLUCCI. No, I certainly do not.

Chairman NUNN. Senator Shelby.

Senator EXON. Would the Senator from Alabama yield?

Senator SHELBY. I would yield.

Senator EXON. Mr. Chairman, I have been here all through this hearing, and I take it that the committee is very likely to give a unanimous or near-unanimous support to Mr. Carlucci.

What are the plans of the chairman? In order to expedite this, I assume we will have a vote at some appropriate time in the next day or so, when we can convene the committee. And when do you expect that we might be able to take this to the floor of the U.S. Senate? Assuming that the committee does report favorably on this nomination.

Chairman NUNN. We will in all likelihood try to get a meeting together tomorrow morning, unless there are hitches that are unanticipated now.

We have some technical matters, paperwork and so forth to be completed from the committee point of view. We may have a few

more questions for Mr. Carlucci that have to be clarified of a technical nature.

But it would be my hope that if those things work out, we could go ahead and get a committee meeting on this subject and have a vote tomorrow morning. And of course the question of bringing it up before the Senate depends upon Senator Byrd and the schedule there. But hopefully sometime next week.

Senator EXON. Thank you. I appreciate the usual courtesy from my friend from Alabama.

Senator SHELBY. Mr. Carlucci, this may have been asked earlier or something similar to this earlier in the hearing.

Was there ever any push by this administration to link conventional reductions with the INF Treaty?

Mr. CARLUCCI. It did come up earlier, Senator Shelby, and I indicated that there has been no direct linkage, although we recognize that it is important to get on with the conventional reductions and negotiations.

Senator SHELBY. Why was there no direct linkage? Was it because the Soviet Union did not want it?

Mr. CARLUCCI. No. Not at all. I think, Senator Shelby, you have to go back to the original purposes of the INF agreement.

You go back to the 1979 dual track decision which was directed at trying to persuade the Soviets not to deploy the SS-20s, and we said either negotiate on the SS-20s or we will deploy Pershings and GLCMs.

People thought that that would not work. When we deployed, there was a hue and cry. You will never get the SS-20s down. Now, we have gotten the Soviets to agree to not only dismantling the SS-20s, but the SS-4s, the SS-12s, the SS-23s, short-range systems in a ratio of 6 to 1.

The agreement has achieved its purposes. More significantly, it has demonstrated that when the NATO alliance sets a goal and stands united behind that goal, we can achieve our purposes.

To suddenly change the goal of the treaty at the end-game would be disastrous in terms of our relationships with the alliance.

Senator SHELBY. But would you concede that there has been no progress that would amount to very much on conventional reductions?

Mr. CARLUCCI. I would certainly concede that nothing much has happened for 14 years at MBFR.

We are taking a fresh look at this whole issue, and have moved the forum to the so-called stability talks, the Atlantic to the Urals negotiations, and we are now working to develop a NATO or an alliance position.

Senator SHELBY. Are you familiar with the Rand report that has just come out or is coming out regarding the conventional forces?

Mr. CARLUCCI. I have been briefed by Don Rice on some of their approaches to the conventional issue.

Senator SHELBY. Do you agree with it, that it does not look very promising on conventional reductions?

Mr. CARLUCCI. Let me say that conventional reductions are extraordinarily complex, and it will certainly take a long time to bring them about.

But I do not accept the conclusion that it does not look very promising. The Soviets have said that they are willing to negotiate in this area. I think we have to put them to the test.

And once we get our mandate developed, and I am hopeful that we will have it by the end of the year, we will begin to engage in negotiations. And I think it would be premature to declare the negotiations unpromising before we have even engaged in them.

Senator SHELBY. Do you believe that with an INF Treaty, as has been proposed, and of course we have not seen the details although you may have, that Western Europe is going to be stronger after or weaker?

Mr. CARLUCCI. I think Western Europe is going to be stronger for a number of reasons.

Senator SHELBY. I would like to hear those. Go ahead.

Mr. CARLUCCI. One is the one I mentioned. Because we have demonstrated as an alliance we can achieve a goal, an arms reduction goal by standing firm.

Second, we are reducing warheads in a ratio of 6 to 1. Third, we have introduced the concept of asymmetry in reductions, which is very important when you talk about the stability negotiations in the conventional area.

Fourth, we have as a result of these negotiations laid out a framework at the Reykjavik foreign ministers' meeting where there is a sequence of negotiations on which all of the Europeans have agreed.

And I could no more than to refer you to the NATO Secretary-General, Peter Carrington, who has said repeatedly that the European leaders stand solidly behind this agreement. So they see it in their interest.

Senator SHELBY. But some of them have been brought to this agreement screaming and kicking. Have they not?

Mr. CARLUCCI. If that is a reference to the German leadership, I have had something to do with that.

Senator SHELBY. Well, you have done a good job getting them there.

Mr. CARLUCCI. I want to assure you that there has been no pressure on the Germans.

Senator SHELBY. No pressure? Now, how do you define pressure?

Mr. CARLUCCI. I define pressure as telling the Germans that they have to get behind the zero option.

We have said that we had a preference, but the President has personally assured the Chancellor that he should make his own decision and there is no pressure. I personally went over and spent 5 hours with the Chancellor to assure him of that.

And I am certain that if he were before you today he would tell you that.

Senator SHELBY. Did you basically let them know that you were going to do it notwithstanding what they thought? In other words, you were going to go forward with the agreement, notwithstanding?

Mr. CARLUCCI. No, sir. No, sir. I cannot account for every subordinate official in the U.S. Government. But at the senior levels of U.S. Government that statement was never made to the Germans.

Senator SHELBY. Mr. Carlucci, what about the Spanish bases? You know, you are involved in this now, and it has been in the news a lot.

It looks to me like if we go through with the INF Treaty and you remove the Euro-missiles and the short-range missiles from Europe, you leave Europe vulnerable to the Soviet Union's overwhelming conventional forces.

I mean, you can argue all day long and then you say, well, we are going to rely on our bombers and so forth. What about the Spanish bases? Do they not play an important part in this NATO defense, that would be the back-up after INF, if that went through?

Mr. CARLUCCI. Well, of course, those bases are not used for the dual-capable bombers. So they really have nothing to do—

Senator SHELBY. But they are an important leg of this, though. Are they not?

Mr. CARLUCCI. They are an important leg of our overall ability to defend the southern flank in a conventional way. And we are clearly disappointed that the Spanish continue to insist on the withdrawal of the 401st.

The negotiations have not yet been completed, but as you know just the other day they gave formal notification. We will try to work something out with them over this period of time.

And I will be glad to engage personally in these negotiations, because I think it is extremely important. I, in fact, have been in constant touch with our negotiator who is a very able negotiator.

Senator SHELBY. With the administration going this far with INF, and you have reached an agreement in principle. If the treaty is produced here in December and signed and ultimately, although I think I would hope not, ratified, meaning the Senate consents to it, you have gambled on the future.

In the meantime, in the next several years, let us say this agreement is implemented, and the missiles are removed from Europe. And then in the event that there is no progress to speak of, I am painting another scenario, in the conventional reductions, would we not have given up a great deal and have left Europe vulnerable to the Soviet Union conventional forces in a big way?

Mr. CARLUCCI. No. While we are giving up some capability, the Soviets equally are giving up capability. The capability of 2,000 warheads that could strike Europe. So Europe, in my judgment, we are all more secure for the INF agreement.

The capability that we are giving up was not designed for use against the conventional imbalance. The conventional imbalance has to be addressed on its own merits. And I would hope that the pessimistic scenario that you have drawn is not the realistic scenario.

Senator SHELBY. Well, as you well know, it is not just my views, it is the views of a lot of people. Former Presidents, Secretaries of State, and a lot of others.

And I think the chairman here, Senator Nunn, has some reservations. He speaks well for himself on the conventional capability of the Soviet Union versus our capability, as far as tanks and so forth.

Mr. CARLUCCI. I agree with you, there are large differences.

Senator SHELBY. Mr. Carlucci, on a different subject, and I will wind it up here.

As far as the ATBM program is concerned, you are familiar with that, and you have worked with it. Work has been done in the Army's missile command on ATBM. How do you believe the cost should be shared in this program, if you have an opinion on it?

Mr. CARLUCCI. You are talking about the Israeli program?

Senator SHELBY. Yes.

Mr. CARLUCCI. There have been several proposals to the Israelis, as you know. We proposed 50-50 cost-sharing, and they found that hard to do, given their economic problems.

There was then another proposal, 50-40-10, using 40 FMS, 10 percent Israeli share. Apparently they still find that too burdensome, because they have other needs for their FMS money.

The Congress of course, has mandated that other countries contribute to the development of these programs. So we would hope that there would be some Israeli participation.

I personally am very sympathetic to their economic problems, and I would be receptive to looking at a greater share coming from the United States. But I do not think one can do that until we know what the overall level of funding is going to be for the SDI program.

Senator SHELBY. Sure.

Mr. CARLUCCI. And if it is grossly inadequate, as say the House bill, then we would have serious problems doing anything.

Senator SHELBY. But the Israelis do have some expertise to offer in this area, do they not?

Mr. CARLUCCI. I think they do.

Senator SHELBY. And this would contribute to us a lot.

Mr. CARLUCCI. I think it is a fine program, and I am delighted to have the Israelis participate in it.

Senator SHELBY. Mr. Chairman, thank you for your indulgence.

Chairman NUNN. Thank you very much, Senator Shelby. Mr. Carlucci, it looks like you have outlasted the committee here this afternoon.

Everybody is seemingly satisfied with your answers, and I do not anticipate any problem. We hope we can get the technical part of this all worked out.

We will be working on it this afternoon and tomorrow, and I would look forward to working with you as Secretary of Defense, of course one of the most important positions in our Government, for which we believe you are well-qualified. And I believe most members of the committee would agree with that.

[Questions for the hearing record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR SAM NUNN

Chairman NUNN. As you know, this committee has an intense interest in the full and effective implementation of the Goldwater-Nichols Department of Defense Reorganization Act of 1986. Would you give us your assessment of that legislation, particularly regarding whether you share the committee's view that the legislation strengthens the position of the Secretary of Defense?

Mr. CARLUCCI. Management improvement in the Department of Defense is a continuing process that requires constant attention and support. Enactment of the Goldwater-Nichols DOD Reorganization Act will enhance this process and give further impetus for our efforts.

The act retains the already established provision of Title 10 United States Code which vests in the Secretary of Defense authority, direction, and control over the Department. Accordingly, the personal authority of the Secretary remains unchanged.

The real benefits that are expected to derive from the new law relate to its emphasis on strengthening organizational and management relationships throughout the Department. To the extent that the act improves professional military advice, strengthens the role of the Chairman, JCS, enhances the command authority of the Unified and Specified Commanders, and improves the organization of the Military Departments, it also strengthens and streamlines the management authority of the Secretary of Defense.

Chairman NUNN. What actions do you plan to take to ensure full and effective implementation?

Mr. CARLUCCI. The provisions of the Goldwater-Nichols Defense Reorganization Act are being implemented within the Department under the guidance and supervision of the Deputy Secretary of Defense. On October 9, 1986, the Deputy Secretary issued an implementation plan which assigned lead officials to carry out the major provisions of the Act, established a schedule for their completion, and identified associated reporting requirements. This mechanism is working well and approximately 70 percent of the Act's provisions have been implemented.

I plan to continue this effort and to give my full support to the continuing implementation.

QUESTIONS SUBMITTED BY SENATOR CARL LEVIN

SOVIET'S ASSESSMENT OF NATO'S CONVENTIONAL FORCES

Senator LEVIN. What do you think the Soviet military and political leadership see when they look at NATO's conventional forces, a valiant little group of casualties or a tough, sophisticated, modern combat force capable of inflicting tremendous losses on an attacker, and holding its own?

Mr. CARLUCCI. I believe the Soviets are increasingly sophisticated in their perceptions of the alliance and NATO's military capabilities. They do not look at NATO's conventional forces alone. Instead, they look at the entire spectrum of NATO's forces, including nuclear forces, which serve as a major deterrent and source of uncertainty in any potential aggression, and NATO's conventional forces, which they probably regard as inferior in numbers and in sustainability, but in many cases, superior technologically and able to varying extents to deny some Soviet objectives and impede conventional attacks.

They perceive differences in capabilities of NATO allies. On the one hand, they see major NATO allies devoting significant resources to defense and developing new weapons that would pose serious challenges to them, e.g., in areas such as follow-on forces attack. On the other hand, they see NATO allies in the Southern Region in serious need of modernization of their military forces and other NATO allies making only modest efforts to field strong defense forces. Thus, the Soviets see a relatively wide range of forces and capabilities when they look at NATO.

TACTICAL AIR POWER AND CONVENTIONAL ARMS CONTROL

Senator LEVIN. In his Fiscal Year 1988 Report to Congress, Secretary Weinberger told us that "While we have done substantially better in terms of keeping the Pact from improving their tactical air power advantage, we have not been able to reduce that advantage." If they have the advantage in tactical air power, why does the NATO mandate for conventional arms control negotiations preclude the discussion of limits on tactical air power? Don't we want the opportunity to reduce their advantage in those negotiations?

Mr. CARLUCCI. The Soviets have made it clear on several occasions that they are interested in constraining NATO airpower in two principal respects: the inherent LRINF capability of many of these aircraft, and the continuing qualitative advantage enjoyed by NATO. Their use of the term "tactical strike aircraft" is aimed at dual-capable ground attack NATO aircraft, would ignore tremendous Pact advantages in interceptors, and would exclude as well several Soviet aircraft on the grounds of their "primary role", that is as interceptors. NATO's mandate now on the table in Vienna does not exclude eventual limits on aircraft as a part of the broader conventional equation, but there is little Allied interest in negotiating about aircraft as a first order of business, particularly given the Soviet agenda with

respect to including tactical nuclear systems in the negotiations, and our own focus on reducing the Warsaw Pact's offensive capacity to seize and hold territory.

STRATEGIC WEAPON PRIORITY

Senator LEVIN. Which strategic weapons program, R&D or procurement, do you believe is our highest priority?

Mr. CARLUCCI. The five basic parts of the ongoing strategic modernization program—C³ improvements; modernization of strategic bombers; deployment of new SLBMs; improvements to ICBM accuracy and survivability; and increased emphasis on strategic defense—are mutually reinforcing. The full benefit from improvement in one area can only be realized if the comprehensive program is carried out. This comprehensive program supports a strong Triad of offensive forces, reliable and survivable communications and control so that those forces can be employed effectively, and the development of strategic defensive systems that may someday assure our national survival in the nuclear age. All of our strategic forces were virtually neglected during the 1970s and needed large investments in the 1980s and early 1990s to redress imbalances with Soviet forces, to remain effective as a deterrent, and to provide strong incentives for the Soviet Union to seek genuine arms reductions. Thus, no single element or weapons system can be termed our highest priority.

SOVIET THREAT

Senator LEVIN. Given the current deterrent effect of our strategic triad, do you believe the threat to our land-based missiles by Soviet land-based missiles poses a greater overall threat to the security of ourselves and our allies than do Soviet tank armies in Europe? If so, why? If not, and given our defense budget crunch, wouldn't you then logically place more emphasis on programs aimed at reducing the threat to our land-based missile forces?

Mr. CARLUCCI. The U.S. programs underway today for future deployment are designed to modernize both strategic and conventional forces. While the balance between nuclear and conventional arms is not based on a precise formula, the systems we have proposed are balanced with kinds and numbers best suited to deter Soviet aggression at both the nuclear and conventional levels of conflict constrained by realistic budgetary levels.

There is no rationale for abandoning modernization of our conventional force in favor of strategic programs, or vice versa, when both forces require improvements to enhance deterrence at their respective levels of conflict. Both U.S. strategic and conventional forces must continue to undergo modernization with equivalent emphasis with appropriate competition within their respective program elements to maximize our deterrent dollar.

INF TREATY

Senator LEVIN. Do you believe we should conclude an arms control agreement with a nation we cannot trust? Is the proposed INF treaty based on trusting the Soviet Union?

Mr. CARLUCCI. Obviously, we could not conclude an arms control agreement with a nation we cannot trust to keep their treaty obligations unless we have included stringent verification provisions which make non-compliance with the treaty difficult. We have evidence that the Soviets have circumvented, and in some cases violated, the provisions of past arms control treaties. However, on balance, we feel that the significant monitoring capability provided by national technical means, in addition to the on-site inspection regime incorporated in the INF Treaty, will enable us to have a foundation for ascertaining Soviet compliance that is based on more than trust.

START AGREEMENT

Senator LEVIN. What, if any, applicability will the verification provisions and techniques used in the INF treaty have to a potential START agreement?

Mr. CARLUCCI. In certain respects, we expect that the verification provisions and techniques developed for the INF treaty will be applicable to a START agreement. In others, we expect that substantially different requirements and techniques will be needed. There are two principal reasons for the differences: (1) START will address both a greater variety and different types of weapon systems and impose different types of qualitative limitations and (2) START will require that we monitor inventories of systems while INF requires that we monitor the elimination of an entire class of systems. Thus, the monitoring requirements of the START treaty will

be more complex and difficult than those of the INF treaty. Further, the effect of cheating in the START context could also be more militarily significant than in INF.

QUESTIONS SUBMITTED BY SENATOR JEFF BINGAMAN

Senator BINGAMAN. As you noted in your testimony, the primary responsibility of the Under Secretary of Defense for Acquisition is to establish policy. However, the legislative history emphasizes that the Under Secretary is not to be narrowly limited to a policy making role: "[S]ince it is the clear intent that the USD(A) will be held accountable for supervising the entire acquisition system, it is essential that he be empowered to enforce compliance with defensewide policies. Moreover, in the exceptional case where it may become necessary for the Under Secretary to issue a direction in an individual case, the law makes clear that he has that power. The Under Secretary will normally participate in, or make programmatic decisions at relatively major programmatic decision points. To the extent those decisions may differ with the wishes of a Service Secretary or Service acquisition executive, the bill makes clear that the decisions of the new Under Secretary will prevail in his areas of responsibility." (S. Rep. 99-331, 1986).

Do you have any reservations about supporting this committee's intent as to the Under Secretary's statutory charter?

Mr. CARLUCCI. No. The Under Secretary of Defense for Acquisition will be my principal advisor on acquisition issues. As such, I expect to delegate to him the role of managing the defense acquisition system. This means he will be held accountable for supervising the defense acquisition system and enforcing compliance with defense-wide acquisition policies. He has the authority to direct the Service secretaries on acquisition matters. As Chairman of the Defense Acquisition Board and as the Defense Acquisition Executive, he will make recommendations to me regarding decisions on major programs at appropriate decision points. If there are differences between the Under Secretary's views and those of a Service secretary regarding an acquisition program or policy decisions, I expect the Under Secretary's views to prevail. However, since the Secretary of Defense is ultimately responsible for all decisions taken by DOD, there may be unusual cases where I will intervene. I expect the appeal of Service secretaries to me on acquisition matters to be the exception rather than the rule.

Senator BINGAMAN. If confirmed, what will you do: To ensure that the Under Secretary is empowered to enforce compliance with defense-wide policies?

Mr. CARLUCCI. I believe that the current law and implementing directive provide the Under Secretary for Acquisition the authority necessary to enforce compliance with defense-wide policies. Due to my own experience in these matters at DOD and as a member of the Packard Commission, I am sensitive to the need for authority and the requirement to take action when necessary. I will monitor these issues closely.

Senator BINGAMAN. If confirmed, what will you do: To facilitate the role of the Under Secretary when he finds it necessary to issue a direction in an individual acquisition decision?

Mr. CARLUCCI. First, by working closely and consulting with the Under Secretary for Acquisition, I hope we can avoid the need for frequent instances that require specific direction from the Under Secretary to the Service secretaries. However, if and when that does become necessary, he has the authority to do so by law and DOD directive.

Senator BINGAMAN. If confirmed, what will you do: To establish a vital role for the Under Secretary in making programmatic decisions about particular systems?

Mr. CARLUCCI. The current DOD directives establish a vital role for the Under Secretary for Acquisition in participating in programmatic decisions. As Chairman of the Defense Acquisition Board he recommends acquisition decisions that have programmatic implications to me at appropriate decision points. Further, he is a major participant in the Defense Resources Board where programmatic and budget issues are reviewed under the directive of the Deputy Secretary.

Senator BINGAMAN. If confirmed, what will you do: To ensure that the decisions of the Under Secretary will prevail on acquisition issues?

Mr. CARLUCCI. The Under Secretary for Acquisition has the authority to establish acquisition policy and direct the Service secretaries to comply with them. I see no need for additional authority to be provided in order for him to prevail on such issues. Regarding weapon system acquisition decisions, the Under Secretary recommends decisions to the Secretary. In this regard, he does not decide on weapon ac-

quisition issues. However, his recommendations carry great weight since he is the Secretary's principal acquisition advisor.

Senator BINGAMAN. In your testimony, you noted that the service Secretaries can appeal their disagreements with the Under Secretary to you. While the legislation does not preclude such appeals, isn't it likely that routine use of such appeals can undermine the ability of the Under Secretary to make authoritative acquisition decisions? What can you do as Secretary to ensure that such issues are resolved primarily at the Under Secretary's level so that appeals will be the rare exception rather than the rule?

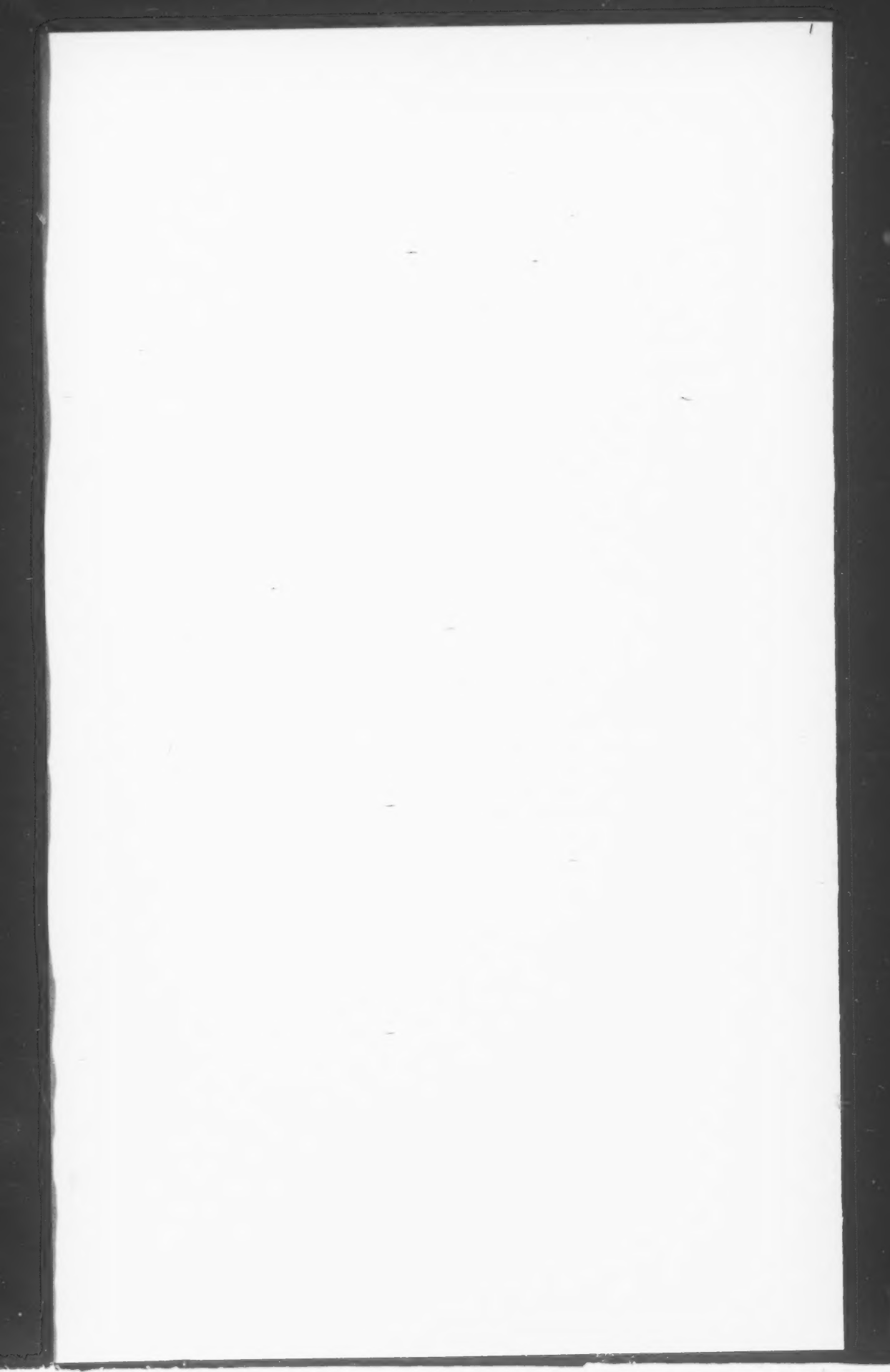
Mr. CARLUCCI. As the Secretary of Defense, I will have the ultimate responsibility for acquisition decisions. The Under Secretary for Acquisition will be my primary advisor on acquisition matters, and as such is responsible for supervising the acquisition system and establishing policy. There will inevitably be differences of opinion between the Under Secretary and the service Secretaries regarding matters where reasonable men can disagree. If one of these matters bothers a service Secretary to the degree that he feels it necessary to appeal the Under Secretary's decision on what to recommend, I would feel obligated to listen to his point of view. However, I would expect such instances to be rare, and equally rare that I would reverse a recommendation made by the Under Secretary.

Senator BINGAMAN. The legislation establishing the Under Secretary's position also created the position of Deputy Under Secretary for Acquisition. In our committee's report on that legislation, we said: "The magnitude and complexity of the duties of the Under Secretary . . . make it clear that a deputy is necessary to assist the Under Secretary in carrying out his many and varied duties." A year has passed since the legislation was enacted, and we have yet to receive a nomination for this vital position. When do you expect the administration to fill this post?

Mr. CARLUCCI. I have discussed this issue with Under Secretary-designate Costello and I agree with his view that at this time it is premature to make a decision on whether or not to fill this position. As he settles into the job and gets a better feel for the magnitude and scope involved, we will be in a better position to make a decision. If we decide not to fill the position, we will certainly advise you of our rationale and submit a proposed legislative change if required.

Chairman NUNN. We thank you for being here and thank you for the service you have already rendered to the country, and we look forward to working with you.

Mr. CARLUCCI. Thank you, Mr. Chairman. I appreciate it.
[Whereupon, at 4:40 p.m., the hearing was adjourned.]



TO ACT ON THE NOMINATION OF FRANK C. CARLUCCI TO BE SECRETARY OF DEFENSE

FRIDAY, NOVEMBER 13, 1987

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The committee met, pursuant to notice, at 12:21 p.m., in room SR-222, Russell Senate Office Building, Senator Sam Nunn (chairman) presiding.

Present: Senators Nunn, Stennis, Exon, Levin, Kennedy, Bingaman, Dixon, Glenn, Wirth, Shelby, Warner, Thurmond, Gramm and Symms.

Chairman NUNN. The committee will come to order.

We are now in open session.

The question is whether we would recommend the Senate of the United States approve the nomination of the President of the United States of Frank Carlucci to be Secretary of Defense.

Senator WARNER. Mr. Chairman, I move that the committee approve the nomination now pending before this committee.

Chairman NUNN. Is there a second?

Senator EXON. I second.

Chairman NUNN. I will ask the clerk to call the roll.

The CLERK. Mr. Stennis.

Senator STENNIS. Aye.

The CLERK. Mr. Exon.

Senator EXON. Aye.

The CLERK. Mr. Levin.

Senator LEVIN. Aye.

The CLERK. Mr. Kennedy.

Senator KENNEDY. Aye.

The CLERK. Mr. Bingaman.

Senator BINGAMAN. Aye.

The CLERK. Mr. Dixon.

Senator DIXON. Aye.

The CLERK. Mr. Glenn.

Senator GLENN. Aye.

The CLERK. Mr. Gore.

[No response.]

The CLERK. Mr. Wirth.

Senator WIRTH. Aye.

The CLERK. Mr. Shelby.

Senator SHELBY. Aye.

The CLERK. Mr. Warner.

Senator WARNER. Aye.

The CLERK. Mr. Thurmond.

Senator THURMOND. Aye.

The CLERK. Mr. Humphrey.

[No response.]

Chairman NUNN. Mr. Cohen.

[No response.]

The CLERK. Mr. Quayle.

Senator QUAYLE. Aye.

The CLERK. Mr. Wilson.

Senator WARNER. Aye by proxy.

The CLERK. Mr. Gramm.

Senator GRAMM. Aye.

The CLERK. Mr. Symms.

Senator SYMMS. Aye.

The CLERK. Mr. McCain.

[No response.]

The CLERK. Mr. Chairman.

Chairman NUNN. Aye.

The CLERK. There are 18 ayes and no nays.

The nomination is agreed to.

Chairman NUNN. I would ask unanimous consent that the record be left open for those who have not yet voted to be able to cast their vote no later than 6 o'clock this afternoon.

Is there objection?

[No response.]

Without objection, we will report this to the Senate, and it would be my hope that we would be able to complete this in the Senate next week, but that will be up to Senator Byrd and the minority leader to schedule it.

I am told that we need to report this sometime today, and that we would have all votes in by 4 o'clock—2 o'clock. We will have the votes in by 2 o'clock.

Any other business?

If not, have a good weekend.

[Whereupon, at 12:22 p.m., the committee recessed subject to the call of the Chair.]

[The nomination of Frank C. Carlucci III was reported to the Senate by Senator Sam Nunn on November 13, 1987, with the recommendation that the nomination be confirmed. The nomination was confirmed by the Senate on November 20, 1987.]

NOMINATION OF ROBERT B. COSTELLO TO BE UNDER SECRETARY OF DEFENSE FOR ACQUISITION

THURSDAY, NOVEMBER 19, 1987

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The committee met, pursuant to notice, at 9:40 a.m., in room SR-222, Russell Senate Office Building, Senator Sam Nunn (chairman) presiding.

Present: Senators Nunn, Stennis, Exon, Levin, Kennedy, Bingaman, Dixon, Wirth, Shelby, Warner, Quayle, and McCain.

Staff present: Arnold L. Punaro, staff director; Romie L. Brownlee, deputy staff director for the minority; Jeffrey H. Smith, general counsel; Patrick A. Tucker, minority counsel; Andrew S. Effron, counsel; Christine C. Dauth, chief clerk; Gerald K. Bankus, Robert E. Bayer, Jonathan L. Etherton, Sherri Wasserman Goodman, John J. Hamre, George K. Johnson, Jr., Ronald P. Kelly, James R. Locher III, David S. Lyles, Norman G. Mosher, Frederick F.Y. Pang, professional staff members; Pamela G. Powell, staff assistant.

Also present: Jeffrey B. Subko, assistant to Senator Exon; William J. Lynn, assistant to Senator Kennedy, Edward M. McGaffigan, Jr., assistant to Senator Bingaman; Charles C. Smith, assistant to Senator Dixon; Donald A. Mitchell, assistant to Senator Glenn; Kevin T. Knobloch, assistant to Senator Wirth; Terrence Lynch, assistant to Senator Shelby; William J. Wight, assistant to Senator Warner; James M. Bodner, assistant to Senator Cohen; Mark J. Albrecht, assistant to Senator Gramm; Samuel J. Routson, assistant to Senator Symms; and Patrick A. Putignano, assistant to Senator McCain.

OPENING STATEMENT OF SENATOR SAM NUNN, CHAIRMAN

Chairman NUNN. The committee will come to order.

The committee meets today to consider the nomination of Robert B. Costello to serve as Under Secretary of Defense for Acquisition.

Dr. Costello brings to this position a distinguished record of accomplishment in industry as well as a year's experience as Assistant Secretary of Defense for Production and Logistics. As his predecessor learned, however, past accomplishments are no guarantee of total success in this very challenging assignment.

Establishment of the Under Secretary's position was one of the key recommendations of President Reagan's Blue Ribbon Commis-

sion on Defense Management. Last year the Congress adopted this recommendation and established the Under Secretary's position in law.

Less than a year later, the first Under Secretary for Acquisition, Richard Godwin, resigned.

Although much was made in the media of personal differences among senior DOD officials, it became clear at an extensive hearing before our committee in September that Secretary Godwin's resignation was primarily related to substance.

The relationships among the Secretary of Defense, the Deputy Secretary and the Under Secretary for Acquisition naturally will vary based upon the particular individuals who may occupy those positions at any one time. What cannot vary, if this overall concept is going to work, is the basic authority of the Under Secretary to manage all aspects of the acquisition process, subject only to the control of the Secretary of Defense or the Deputy when acting for the Secretary.

In our report on the legislation establishing the Under Secretary's position, we emphasized that the Under Secretary not only establishes general policy, but also has the authority to enforce policy decisions in specific matters and is expected to play a significant role in major programmatic decisions.

The Secretary of Defense has complete authority to establish, by directive, such authority for the Under Secretary as he deems necessary. While we fully expect the Under Secretary to consult with the service Secretaries on acquisition matters, we also expect him to render authoritative decisions without their acquiescence when it is necessary to do so.

We do not expect all the details to be handled at this level, and we want the services to have a lot of flexibility in handling the details. But the authority to address and to resolve any conflicts relating to policy is vested in the Under Secretary for Acquisition.

The hearing with Secretary Godwin also demonstrated another serious problem faced by the Under Secretary. While the Secretary of Defense has given the Under Secretary authority over procurement matters as head of the Defense Acquisition Board, the Under Secretary has no authority over the resource allocation decisions made in the Defense Resources Board. Yet, it is the Defense Resources Board that determines whether funds will be budgeted for new starts, milestones, and baselining actions. So, we see this as a real problem.

In view of the budget constraints ahead, the Under Secretary has to be more than the person who makes policy on how to buy weapon systems. We did not create this position simply to give more visibility to acquisition regulations. We established the position of the Under Secretary to ensure that the Department's resource allocation decisions are based upon a thorough and searching analysis of the budgetary implications of competing acquisition strategies. That requires the Under Secretary to play a major role in matters that involve approval of new starts, milestone decisions, modification of existing systems, and establishing and altering rates of production.

As you know, Dr. Costello, there are many who doubt that the cultural changes envisioned by the Packard Commission can be ac-

complished, particularly in the remaining months of this administration. There is a lot of skepticism about that. There will be times in the next year when the competing pressures and demands on you will create a great temptation for you to simply serve as a caretaker—put a few band-aids on and get by. I sincerely hope you resist these temptations. You can do a great service if you exercise the leadership needed to bring the Packard Commission recommendations into reality.

I think also we should keep in mind that this is not a conflict between the Congress and the President of the United States or even the executive branch. The President has endorsed the Packard Commission recommendations. Those recommendations were the basis of our actions. In terms of policy, I think the Congress and the President have seen eye to eye here. And it's a matter of trying to make the President's policy and the congressional policy work.

Dr. Costello, you have appeared before our committee a number of times. And I am sure that our members are looking forward this morning to discussing this position and your view of this position with you. We are pleased that your wife Marcia could be with you this morning. We are pleased that you could come today and we could get this hearing going. I know it has been a long time since we have tried to schedule this hearing. We have had a lot of other things on our mind. But that does not in any way diminish the importance of this position because we think it is one of the most important positions in the Department of Defense. So, we thank you for being here this morning.

Senator Warner.

Senator WARNER. Thank you, Mr. Chairman. I associate myself with your concluding remarks and tender apology to this distinguished individual for the absence of my colleagues. We have been summoned to a caucus with respect to the budget compromise, and you can recognize the priority of that commitment. And therefore, Mr. Chairman, I shall have to absent myself.

The chairman has, as he invariably does, stated very succinctly the concerns here in the Congress, primarily on the Senate side, with respect to your position. I would like to pay a word of respect to Dick Godwin and the job that he did. He worked with you; you worked with him. Given the unusual circumstances of his departure, I think that Secretary Godwin and Secretary of Defense Weinberger handled that as well as they possibly could. I look upon that departure as a constructive and positive development in the turbulent cycle of growth in the area of responsibility in your particular position.

I am sure that there are still some uncertain areas that you will have to chart, particularly regarding your relationship with the service Secretaries in the military departments. I do hope that you can carry out your job with respect to the military departments and other offices in a manner that gives you the appropriate authority to bring about the changes that are necessary. You are going to go to work with a new Secretary of Defense. Mr. Chairman, I suppose that approval is imminent.

Chairman NUNN. In the next day or two.

Senator WARNER. Yes. Mr. Carlucci has had a long background of success in the area of addressing the issues of procurement and the like.

There are some concerns that I have, and I will provide questions for the record. They deal with what some of us perceive as a deterioration in the relationship between the Government, particularly the Secretary of Defense, and industry. There appears to be, in my judgment, inadequate dialog between industry and the Department of Defense. This is particularly true in the area of acquisitions. It is my hope that you will do everything possible to improve that situation.

Likewise, having come from a background of modest experience in the area of the private sector myself, banking and corporate work, I think we always have to recognize that our system is based on one of profit and risk sharing. I'm concerned about some of the policies in the Department of Defense now being implemented with respect to the industrial base and their ability to have a reasonable profit at a time that they're taking on considerable risk sharing. We should never lose sight of the fact that most of the firms involved in defense work could at appropriate times detach themselves from that industrial base of our Nation and seek other avenues of work. We are largely dependent on our industrial base for our national defense. So, I hope that you proceed on a course that will strike an equitable balance between profit and the risk sharing that they undertake.

Mr. Chairman, having said those few remarks, I thank the Chair and ask the indulgence of the other members as I have to depart.

I wish luck to you and your family. This is very much a family commitment. Having had the privilege of serving in the department myself, I know full well the sacrifices made by members of the family to allow you to work the long hours and hard weekends. I still think any decision of the Department after 7 o'clock is usually reversed the next morning and it is futile, but so be it.

Chairman NUNN. Senator Warner, thank you.

I would like to inquire. We had planned to have a markup of the oversight bill on DOE that has come out of Government Affairs. This committee has had sequential referral. And we had set 10 o'clock. We were going to interrupt this hearing briefly, and I don't think it would take 5 minutes. And we were trying to get a quorum for that at 10. In light of the Republican caucus, would you suggest another hour because I imagine we will be here an hour, hour and a half? Would 11 o'clock make sense? Do you think you'll be through by then?

Senator WARNER. Mr. Chairman, I would think we would be through by then. If the Chair will send a message to S. 211, I will announce to our membership that it is the request of the Chair that we gather here at 11 o'clock.

Chairman NUNN. We have committed to get that bill out today because it was a sequential referral to this committee. Why don't we set 11 o'clock—if you could just inform them of that—as a tentative time? And if you could just give us a call back after you get there.

Senator WARNER. I will do that.

Senator LEVIN. Mr. Chairman, was it the Chair's hope or expectation that it might be possible to vote on this nomination as well today?

Chairman NUNN. Depending on developments. It's possible, but we have a couple other items on the agenda. We have to handle the defense conference report on the floor starting at 12 o'clock. And we also have the Carlucci confirmation that we've got to handle on the floor if it is, indeed, going to be discussed today. So, we're juggling a lot of balls today, and I wouldn't want to make a commitment on that. But it certainly would be my idea to move expeditiously on this matter.

Senator LEVIN. If our hearing were over by the time of that markup, would it be possible to have this confirmation.

Chairman NUNN. Depending on the number of questions the Senator from Michigan has and the length of time and so forth. [Laughter.]

Does the Senator from Michigan want to make a statement?

Senator LEVIN. I think I just did. [Laughter.]

Chairman NUNN. Any other opening statements?

Senator SHELBY. Mr. Chairman.

Chairman NUNN. Senator Shelby, then Senator Quayle.

Senator SHELBY. Mr. Chairman, I'll be real brief. It is more of a suggestion than an inquiry.

Dr. Costello, I have been made aware of instances in which various branches of the armed services have shown to me that they are not really serious in second source production. And it seems to me that the Pentagon intends to continue with incumbent sole source contractors at the expense of the true savings that some of us thought would be achieved under the second source option, especially at a time when the budget is crunched.

Does this not fly, if this were true—and I think it is—in the face of legislation passed by Congress calling for competition in contracting? And when you get into it, I'd like you to touch on this.

Chairman NUNN. Thank you, Senator Shelby.

Senator Quayle, do you have an opening statement? If so, after your statement, we'll ask Dr. Costello for his opening statement, and then we will go around for questions.

Senator QUAYLE. I would like just to make a short opening statement, Mr. Chairman, because I am like everyone else who is going to go over to the budget conference that we are having and will not be here for the enlightening, elucidating testimony of Dr. Costello.

It seems like every time we come in here, you look up there, you're down at that end of the table. Welcome back. We are glad to see you.

And I would just like to say two things, Mr. Chairman. One, I know that Dr. Costello will be a good partner with Frank Carlucci in trying to get a hold and do some constructive things in the acquisition process.

The two things I think are challenging you is, one, as to recommending ourselves to a sense of quality when we look at procurement. I think that we cannot underestimate the importance of quality.

And, two, I'll be very honest with you, and you know this as well as I, that we've got a major problem and perhaps a minor revolt

out there in the contracting community, those defense contractors who are maintaining our defense industrial base. I have talked to many in my State and around the country and a lot of them, quite frankly, with all the regulations and all the requirements they have to go through, they are reconsidering whether they really want to do business with the Department of Defense. And as we talk about competition and as we talk about getting more people into the defense industrial base, and we want to have more dual sourcing friends, we are going to have to have industry out there that we can select from. And we've got a revolt going on out there. And in the board rooms there are decisions being made saying let's just stay in the commercial world. Why do we have to do business with the Secretary of Defense?

So, you've got a huge challenge ahead of you, but no challenge is too big for you. I know you well and I wish you well in your new endeavor.

Thank you very much, Mr. Chairman. I will have maybe a couple of questions. I won't even submit any questions for the record. I vote aye.

Chairman NUNN. Thank you, Senator Quayle.

Any other opening statements?

[No response.]

[The nomination reference of Robert B. Costello follows:]

NOMINATION REFERENCE

SENATE OF THE UNITED STATES,
November 3, 1987.

(Under authority of the order of the Senate of February 3, 1987)

Ordered, that the following nomination be referred to the Committee on Armed Services:

Robert B. Costello, of Michigan, to be Under Secretary of Defense for Acquisition, vice Richard P. Godwin, resigned.

[The biographical sketch of Robert B. Costello, which was transmitted to the committee at the time the nomination was referred follows:]

BIOGRAPHICAL SKETCH OF HON. ROBERT B. COSTELLO, ASSISTANT SECRETARY OF DEFENSE (PRODUCTION AND LOGISTICS)

Robert Bassett Costello was nominated by President Reagan to be Assistant Secretary of Defense (Production and Logistics) on October 2, 1986; was confirmed by the United States Senate on March 11, 1987; and took the oath of office on March 13, 1987.

Born in New Rochelle, New York, on June 21, 1926, Dr. Costello earned his B.C.E. and M.C.E. from Rensselaer Polytechnic Institute in 1947 and 1948. He received a Ph.D. in Civil Engineering from Cornell University in 1951.

Dr. Costello enlisted in the Navy in 1944, was recalled to active duty as an officer during the Korean War, and retired from the Naval Reserve with the rank of captain in 1978.

After the Korean War, Dr. Costello held a number of positions in advanced research and management, specializing in material science, aerospace, missile testing and engineering.

In 1960, Dr. Costello joined the Allison Division of General Motors as Chief of Missile Engineering. Subsequently, Dr. Costello conducted scientific research in deep ocean engineering and acoustic research at the Defense Research Laboratories. He holds numerous patents in deep ocean materials, systems, and instrumentation. Dr.

Costello then returned to the Allison Division as Director, Liaison for the Main Battle Tank Program.

Dr. Costello was then assigned to the Delco Electronics Division, where he became the Director of Materials Management. In 1982, Dr. Costello was appointed the Executive Director, Purchasing Activities, for the entire General Motors Corporation—a position he held until his appointment. He was responsible for providing new directions and implementing a broad range of new programs throughout General Motors and its suppliers worldwide for all goods and services, with annual purchases exceeding \$50 billion.

Dr. Costello and his wife Marcia reside in McLean, Virginia.

[The Committee on Armed Services requires all individuals nominated from civilian life by the President to positions requiring the advice and consent of the Senate, and certain senior military officers as determined by the committee, to complete a form that details, the biographical, financial and other information of the nominee. The form executed by Robert B. Costello in connection with his nomination follows:]

UNITED STATES SENATE

COMMITTEE ON ARMED SERVICES

Room SR-222

Washington, DC 20510-6050

(202) 224-3871

COMMITTEE ON ARMED SERVICES FORM

BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE. Complete all requested information. If more space is needed, use an additional sheet and cite the part of the form and the question number (i.e. A-9, B-4) to which the continuation of your answer applies.

PART A—BIOGRAPHICAL INFORMATION

INSTRUCTIONS TO THE NOMINEE: Biographical information furnished in this part of the form will be made available in committee offices for public inspection prior to the hearing and will also be published in any hearing record as well as made available to the public.

1. Name: (Include any former names used.)

Robert Bassett Costello. Nickname: Bob.

2. Position to which nominated:

Under Secretary of Defense for Acquisition.

3. Date of nomination.

November 2, 1987.

4. Address: (List current place of residence and office addresses.)

[Nominee responded and the information is contained in the committee's executive files.]

Department of Defense, Room 3E808, The Pentagon, Washington, D.C. 20301.

5. Date and place of birth:

June 21, 1926; New Rochelle, Westchester County, New York.

6. Marital Status: (Include maiden name of wife or husband's name.)

Married to the former Marcia Marlene Kuntz.

7. Names and ages of children:

Robert Bassett Costello (deceased; DOB: November 14, 1951); Joseph Ball Costello; age: 33; Timothy Andrew Costello; age: 27; stepchildren: Domenic Graves; age: 31; William Graves; age: 29; Debra Graves Johnson; Age: 34.

8. Education: List secondary and higher education institutions, dates attended, degree received and date degree granted.

Yale University, 1943-1944.

Rensselaer Polytechnic Institute, 1945-1948, BCE/MCE.

Purdue University, 1948-1949.

Cornell University, 1949-1951, Ph.D. Civil Engineering.

9. Employment record: List all jobs held since college or in the last 10 years, whichever is less, including the title or description of job, name of employer, location of work, and dates of employment.

Assistant Secretary of Defense (Production & Logistics), Department of Defense, 3E808, The Pentagon, Washington, DC. 20301-8000, March 1987-present.

Executive Director, purchasing, General Motors, 3044 West Grand Boulevard, Detroit, MI, September 1982-July 1986.

Director, Material Management, GM Delco Electronics, 700 East Firmin Street, Kokomo, IN, 1967-1982.

10. Government experience: List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above.

Assistant Secretary of Defense (Production and Logistics).

Consultant to the Under Secretary of Defense (Acquisition).

U.S. Navy Reserve Captain (34 years of active and reserve service).

11. Business relationships: List all positions currently held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution.

None.

12. Memberships: List all memberships and offices currently held in professional, fraternal, scholarly, civic, business, charitable and other organizations.

National Association of Purchasing Management.

Naval Reserve Officers' Association.

Society of the Sigma Xi.

Reserve Officers' Association.

The Recess Club (Board of Governors), Detroit, MI.

Oakland County Republican Party.

Michigan Republican Party.

National Republican Party.

Kokomo Country Club, Kokomo, IN.

The Pointe Golf & Tennis Club, Bloomington, IN.

Franklin Community Church, Franklin, MI.

Trinity United Methodist Church, McLean, VA.

13. Political affiliations and activities:

(a) List all offices with a political party which you have held or any public office for which you have been a candidate.

None.

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 5 years.

None.

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$100 or more for the past 5 years.

Contributed to various campaigns—primarily Republican candidates—and members of local county Republican parties in Michigan and Indiana.

14. Honors and Awards: List all scholarships, fellowships, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements.

Academic honors in the university environment—no other significant, widely recognized honors.

15. Published writings: List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.

Numerous writings in a number of fields covering oceanography instrumentation, advanced materials systems, deep ocean instrumentation and structure, and a wide number of lectures and presentations on materials management and procurement concepts. Typical of my recent articles are: "DoD's Aggressive Agenda for Streamlining the Acquisition Process" in the July/August issue of *Defense '87* and "Re-forming and Revitalizing Defense Acquisition," in Volume 23, Numbers 2 and 3 of the *Defense Management Journal*.

16. Speeches: Provide the committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated.

Numerous speeches in acquisition, procurement, materials management, participative management, and materials and quality research. Typical of recent speeches are a speech I delivered on *Total Quality Management* to the Naval Air Systems Command Commanders on October 15, 1987; one on *Bolstering Industrial Competitiveness* at St. Louis University on August 18, 1987.

17. Selection:

(a) Do you know why you were chosen for this nomination by the President?

It is my understanding that the White House undertook a search for the most qualified professional in the procurement field, and I was identified as one of the candidates.

(b) What do you believe in your background or employment experience affirmatively qualifies you for this particular appointment?

I am currently the Assistant Secretary of Defense (Production and Logistics). My military and related experience is broad. My technical training and advanced research experience has involved numerous military programs. I also have extensive experience in materials management and procurement. Additionally, I am a retired Naval Reserve captain.

18. Commitment to testify before Senate committees: Do you agree, if confirmed, to respond to requests to appear and testify before any duly constituted committee of the Senate?

Yes.

COMMITTEE ON ARMED SERVICES FORM

FINANCIAL AND OTHER INFORMATION REQUESTED OF NOMINEES

- INSTRUCTIONS TO THE NOMINEE: Information furnished in Parts B through F will be retained in the committee's executive files and will not be made available to the public unless specifically directed by the committee.

Name: Robert B. Costello.

PART B—FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all business connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Has anybody made a commitment to employ your services in any capacity after you leave government service?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Is your spouse employed and, if so, where?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. If confirmed, do you expect to serve out your full term or until the Presidential election, whichever is applicable?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART C—POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients or customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Describe any business relationship, dealing or financial transaction which you have had during the last 20 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.)

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Do you agree to provide to the committee any written opinions provided by the General Counsel of the agency to which you are nominated and by the Attorney General's office concerning potential conflicts of interest or any legal impediments to your serving in this position?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART D—LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Have you ever been investigated, arrested, charged or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county or municipal law, regulation or ordinance, other than a minor traffic offense? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Have you or any business of which you are or were an officer ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you ever been convicted (including a plea of guilty of nolo contendere) of any criminal violation other than a minor traffic offense?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Please advise the committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART E—FOREIGN AFFILIATIONS

1. Have you or your spouse ever represented in any capacity (e.g., employee, attorney, business, or political adviser or consultant), with or without compensation, a foreign government or any entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. If you or your spouse has ever been formally associated with a law, accounting, public relations firm or other service organization, have any of you or your spouse's associates represented, in any capacity, with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. During the past 10 years have you or your spouse received any compensation from, or been involved in any financial or business transactions with, a foreign government or an entity controlled by a foreign government? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you or your spouse ever registered under the Foreign Agents Registration Act? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART F—FINANCIAL DATA

All information requested under this heading must be provided for yourself, your spouse, and your dependents.

1. Describe the terms of any beneficial trust or blind trust of which you, your spouse, or your dependents may be a beneficiary. In the case of a blind trust, provide the name of the trustee(s) and a copy of the trust agreement.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Provide a description of any fiduciary responsibility or power of attorney which you hold for or on behalf of any other person.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, executory contracts and other future benefits which you expect to derive from current or previous business relationships, professional services and firm memberships, employees, clients and customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you filed a Federal income tax return for each of the past 10 years? If not, please explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Have your taxes always been paid on time?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Were all your taxes, Federal, State, and local, current (filed and paid) as of the date of your nomination?

[Note: Nominee responded and the information is contained in the committee's executive files.]

7. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

[Note: Nominee responded and the information is contained in the committee's executive files.]

8. Have any tax liens, either Federal, State, or local, been filed against you or against any real property or personal property which you own either individually, jointly, or in partnership?

[Note: Nominee responded and the information is contained in the committee's executive files.]

(The committee may require that copies of your Federal income tax returns be provided to the committee. These documents will be made available only to Senators and the staff designated by the chairman. They will not be available for public inspection.)

SIGNATURE AND DATE

I hereby state that I have read and signed the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

ROBERT B. COSTELLO.

This 5th day of November, 1987.

Chairman NUNN. Dr. Costello, we would love to hear from you and then we'll have questions.

STATEMENT OF DR. ROBERT B. COSTELLO

Dr. COSTELLO. It really is a pleasure to be here this morning, Mr. Chairman, members of the committee. Anyone, I in particular, am honored to be considered for this position of Under Secretary of Defense for Acquisition, just as I was similarly honored earlier this year when this committee favorably considered me for my present post.

With your consent, Mr. Chairman, I would like to submit my testimony for the record and briefly summarize it now.

Senator LEVIN. Without objection, so ordered. That's in your absence, Mr. Chairman

Dr. COSTELLO. I might modify my statement even at this point because I think the Senators who made their opening statements covered well the scope of the job and the key issues that we're to face.

In my present job as assistant Secretary of Defense for Production and Logistics, and as Senator Warner indicated, I would like to reiterate that Dick Godwin did a great job toward establishing several structures and procedures, on which we plan to build. Without his efforts, we would have had to do a lot of building ourselves.

While working with Dick, I was able to focus my efforts not only on the daily business at hand, but also toward identifying goals and strategies to attain the goals we have identified. Through these goals and strategies we have developed, we will continue to be able to make tough decisions, or recommendations to the Secretary of Defense, that will permit an effective review of acquisition programs in the light of budget realities, and to implement innovative concepts to make maximum use of our defense dollars.

I will attempt to encourage an atmosphere where instead of advocating programs uniquely stamped by one proponent, we will produce realistic, highly interoperable programs with the consensus of the military operators who must make those programs work. To those who might equate consensus with inability to manage, I would like to stress that my definition of consensus includes the need for very strong leadership and the most able of managers. We must also institute a cultural change. I believe the chairman indicated that. We have to have that cultural change to gain acceptance of new methods, and we can't do that without strong leadership. Secretary Carlucci and I will provide that strong leadership.

At present we are pursuing five goals and strategies which I have discussed with most members of the committee. These goals and strategies are reviewed in depth in the testimony for the record.

Briefly, they concern industrial competitiveness; that industrial base that is so key to America's defense. We must deal, as Senator Quayle mentioned, with total quality management. We must provide leadership in introducing new concepts and being the focal point for driving needed cultural changes and in how we think about quality.

Again, as Senators Warner and Quayle mentioned, we have drifted in the area of forging the right relations with industry. We have developed an adversarial role that is not beneficial to either the Defense Department or industry.

We are also looking at increasing the effectiveness of the acquisition workforce. We need to define and narrow the scope of their activities so that acquisition managers can have less paper to process. Then we can streamline the acquisition process and do it more effectively.

And, of course, we are looking at regulatory reform. When I first came to Defense, I said legislative reform; but it turns out that departmental regulations are our key items. So, we're looking inward to make regulatory reform a major objective.

It is my intent, should I be confirmed, to continue to use the same methodology of setting goals and deciding upon strategies to attain them, which I believe has been quite successful in the past 9 months.

As the Under Secretary, should you confirm me, I will not forsake those goals. It is my intention to pursue them and the five additional goals and strategies we have identified today. These include and again, they have been addressed in my testimony for the record, developing an encompassing strategy for international technology issues. I think that is something in which Senator Nunn, the chairman, is quite interested. Acquisition and logistics programs in the international arena today are quite key.

We are introducing a concept of "could-cost," or to say it another way, competition in a sole source environment, by looking at the competitive process, as Senator Shelby mentioned.

We also want to develop a definitive approach to how we manage special access programs. This is a major concern to all of us.

We also set a goal to reduce the lead time for introducing new technology into our weapon systems—another major effort.

And finally, I think it is important that all of us realize that we must continue and even further emphasize our commitment to small and small disadvantaged businesses.

These 10 goals and strategies are intended to streamline not only the methods by which we conduct business by bringing them more in line with commercial practices (while recognizing the nuances that are peculiar to the Defense Department), but also to increase the quality, reliability, and reduce the costs associated with our weapons systems. Our ultimate goal, and of course I know I share it with each of the members of the committee, is to provide the best and most modern weapon systems possible to our fighting forces.

Recently, under Dick Godwin's direction, new directives were issued by the Department of Defense dealing with major and non-major defense acquisition programs, defense acquisition program procedures, and establishing the Defense Acquisition Board. Addi-

tionally, a charter was issued for the Under Secretary of Defense. We couldn't have done it without Dick's year long effort in that direction.

The scope of those documents is broad and, if they are used appropriately, in combination with the ongoing and new strategies I have outlined in my testimony, we can have a major impact on how we acquire weapon systems. Based on these strategies, I am dedicated to getting more for less. This will take time and will not occur dramatically overnight, but the results will eventually become obvious and their impact dramatic. We have a year to show you these results.

If confirmed, I will work with the service acquisition executives to implement an acquisition information system to assist us in developing programmatic recommendations for the Secretary of Defense. We are currently assessing which programs should be included, what data are necessary, what the necessary frequency of reviews should be, and the extent of those reviews.

However, even if we had the acquisition information system today, even if all of our strategies were implemented now, and all of our goals achieved, we still cannot produce all the systems and fund all the programs we've initiated. As Mr. Carlucci stated the other day to this same committee, we must reconcile the Defense budget with today's environment. We will need to make tough decisions and implement innovative concepts to stretch our defense dollars. As we implement our strategies and realize savings and efficiencies, we will still have to make some tough decisions as to which programs go into production and which programs must be canceled. Obviously, I'll assist Mr. Carlucci in working with you to resolve these very difficult issues.

In this regard, some have questioned the role of the Under Secretary for Acquisition not only in determining how we buy, but also what we buy. Let us lay the question to rest now. The Under Secretary has final authority for establishing—and we underline “establishing”—acquisition policy, which is the “how” we buy individual programs. And I don't think anyone would dispute that. That role is assigned directly to him.

The Under Secretary also has a significant role in “what” we buy. And when the Defense Acquisition Board meets to recommend to the Under Secretary whether a program should be approved for the next acquisition milestone, the board plays a major role in considering what we should buy. The Under Secretary then utilizes the DAB's advice to make his own recommendations to the Secretary of Defense, noting dissenting opinions and views if they exist. Those recommendations will determine whether a program should be authorized to proceed into its next phase or be disapproved and terminated. To me that's a big, big voice in determining what we buy.

The how and what we buy are part and parcel of major systems acquisition, but the Secretary has to balance those acquisition issues with only requirements. The forum he uses to determine priorities for the total defense program is the Defense Resources Board, in which the Under Secretary of Defense for Acquisition plays a major role.

I have outlined 10 strategies, which we will pursue if I'm confirmed, which encompass the goals of the Packard Commission, the intent of some of the initiatives in the Carlucci 32, your own and other congressional members' concerns, and our own efforts within the Department of Defense.

Within the next 6 months, so that Congress will be aware of our progress, we will issue the first Defense Acquisition Annual Report which will act as a guide to implementation of our strategies.

Serious reform is a high priority. We must be successful in, as suggested by the Packard Commission, our "quest for excellence."

It is a pleasure to have this opportunity to address the committee, and I look forward to your questions and consultation now and in the future. I look forward to serving my country as the Under Secretary of Defense for Acquisition, if you see fit to confirm me.

[The prepared statement of Dr. Robert B. Costello follows:]

PREPARED STATEMENT OF ROBERT B. COSTELLO

GOOD MORNING, MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE. I AM HONORED TO BE CONSIDERED FOR THE POSITION OF UNDER SECRETARY OF DEFENSE FOR ACQUISITION, JUST AS I WAS EARLIER THIS YEAR WHEN THIS COMMITTEE FAVORABLY CONSIDERED ME FOR MY PRESENT POST.

IN MY PRESENT POSITION AS ASSISTANT SECRETARY OF DEFENSE FOR PRODUCTION AND LOGISTICS, WE HAVE FOCUSED OUR EFFORTS, NOT ONLY ON THE DAILY BUSINESS AT HAND, BUT ON IDENTIFYING GOALS AND STRATEGIES TO ATTAIN THOSE GOALS. THROUGH OUR GOALS AND STRATEGIES, WE HAVE BEEN AND WILL CONTINUE TO BE ABLE TO MAKE DECISIONS OR RECOMMENDATIONS TO THE SECRETARY OF DEFENSE THAT WILL ENABLE US TO REVIEW ACQUISITION PROGRAMS IN LIGHT OF BUDGET REALITIES, TO MAKE TOUGH DECISIONS, AND TO IMPLEMENT INNOVATIVE CONCEPTS TO STRETCH OUR DEFENSE DOLLARS.

I WILL ATTEMPT TO ENCOURAGE AN ATMOSPHERE WHERE, INSTEAD OF A PROGRAM UNIQUELY STAMPED BY ONE PROPONENT; WE PRODUCE REALISTIC, HIGHLY INTEROPERABLE PROGRAMS BY CONSENSUS. WE NEED CONSENSUS; AND TO THOSE WHO MIGHT EQUATE CONSENSUS WITH THE INABILITY TO MANAGE, I WOULD STRESS THAT CONSENSUS TAKES VERY STRONG LEADERSHIP, AND THE MOST ABLE MANAGERS! WE MUST INSTITUTE CULTURAL CHANGE, AND YOU CAN'T DO THAT WITHOUT STRONG LEADERSHIP.

WE ARE NOW PURSUING FIVE MAJOR GOALS AND STRATEGIES IN PRODUCTION AND LOGISTICS THAT I WOULD LIKE TO REVIEW WITH YOU. IT IS MY INTENT, SHOULD I BE CONFIRMED, TO CONTINUE TO USE THIS MANAGEMENT PHILOSOPHY OF SETTING GOALS AND STRATEGIES TO ATTAIN THEM, WHICH I BELIEVE HAS BEEN A SUCCESSFUL METHODOLOGY OVER THE PAST NINE MONTHS. IN THIS REGARD, I WILL DISCUSS FIVE ADDITIONAL GOALS AND STRATEGIES THAT WE INTEND TO PURSUE. SYNOPTICALLY, THESE 10 GOALS AND STRATEGIES, WHICH ENCOMPASS ALL PROGRAM MILESTONES, ARE INTENDED TO STREAMLINE NOT ONLY THE METHODS BY WHICH WE CONDUCT BUSINESS (BY BRINGING THEM MORE IN LINE WITH COMMERCIAL PRACTICES, WHILE RECOGNIZING CERTAIN NUANCES PECULIAR TO DEFENSE PRODUCTION), BUT ALSO TO INCREASE THE QUALITY,

RELIABILITY, AND REDUCE THE COSTS ASSOCIATED WITH OUR WEAPON SYSTEMS. OUR ULTIMATE GOAL, OF COURSE, AND WHICH I KNOW I SHARE WITH ALL THE SENATORS ON THIS COMMITTEE, IS TO PROVIDE AS MANY AND THE BEST QUALITY WEAPON SYSTEMS POSSIBLE TO OUR FIGHTING FORCES.

FIRST, WE HAVE PURSUED A STRATEGY FOR BOLSTERING INDUSTRIAL COMPETITIVENESS, WHICH I HAVE DISCUSSED WITH MOST OF YOU, AND TO WHICH YOU HAVE LENT BROAD SUPPORT. IT WAS INITIATED IN SECRETARY WEINBERGER'S ATTACHED MEMORANDUM OF MAY 5, 1987.

AS YOU ARE ALL AWARE, THE PROBLEMS OF THE U.S. TECHNOLOGY AND MANUFACTURING BASE ESSENTIAL TO DEFENSE ARE NATIONAL IN SCOPE. WHILE INDUSTRY IS ULTIMATELY THE KEY TO ITS OWN HEALTH, DEPARTMENT OF DEFENSE AND NATIONALLY SPONSORED PROGRAMS SHOULD BE DESIGNED TO ENHANCE INDUSTRY'S ABILITY TO COMPETE. NOT ONLY DOES THE DEPARTMENT OF DEFENSE'S RESEARCH, DEVELOPMENT, AND ACQUISITION FUNDING PROVIDE SIGNIFICANT LEVERAGE FOR PROMOTING COMPETITION IN INDUSTRIES CRITICAL TO OUR DEFENSE; THE DEPARTMENT CAN ALSO BE INSTRUMENTAL IN CREATING A HEIGHTENED CULTURAL ENVIRONMENT THAT PROMOTES A STRIVING FOR, AND ACHIEVEMENT OF, A STRONG U.S. TECHNOLOGY AND MANUFACTURING BASE.

WE MUST SUSTAIN THE TECHNOLOGY AND MANUFACTURING LEADERSHIP ESSENTIAL TO THE SECURITY OF THIS NATION, IF WE ARE TO CONTINUE TO DEVELOP CUTTING EDGE TECHNOLOGY AND TRANSLATE THAT TECHNOLOGY INTO THE PRODUCTION OF ADVANCED WEAPON SYSTEMS, AND TO PROVIDE THE MATERIEL TO FIGHT AND WIN A WAR IF DETERRENCE FAILS. TO DO SO, WE IN THE DEPARTMENT OF DEFENSE HAVE BEEN TAKING A LEADERSHIP ROLE.

WE MUST, BECAUSE, THE ABILITY OF THE DEPARTMENT OF DEFENSE TO MEET ITS NATIONAL SECURITY OBJECTIVES IS, TO A VERY SIGNIFICANT DEGREE, A FUNCTION OF THE STRENGTH AND VITALITY OF U.S. MANUFACTURING INDUSTRIES ESSENTIAL TO DEFENSE. I HAVE DELIBERATELY STATED THIS BROADLY BECAUSE THE INDUSTRIAL BASE ESSENTIAL TO DEFENSE INVOLVES THE FULL SPECTRUM OF INDUSTRIAL ACTIVITY. IT INCLUDES DEFENSE PRIME CONTRACTORS, CIVILIAN MANUFACTURERS WHOSE CAPABILITY COULD BE CONVERTED TO MILITARY PRODUCTION IF NECESSARY, SUBTIER INDUSTRIES THAT

SUPPLY THE CRITICAL COMPONENTS TO WEAPONS SYSTEMS, BASIC INDUSTRIES THAT SUPPLY THE RAW OR SEMI-FINISHED GOODS THAT BEGIN THE PRODUCTION PROCESS, AND RESOURCE INPUTS TO MAKE IT ALL WORK: CAPITAL, TECHNOLOGY, MANPOWER, AND MANAGEMENT.

WITHIN AN OVERALL MANUFACTURING SECTOR THAT HAS BEEN PERFORMING SATISFACTORILY, SOME OF THE DYNAMICS OF THE INDUSTRY ARE RAISING NATIONAL SECURITY CONCERNS. YOU CAN'T FIGHT A WAR WITH PIZZA PARLORS. UNFORTUNATELY, WHILE OUR SERVICE INDUSTRIES HAVE BOOMED THROUGHOUT THE GENERAL ECONOMY, OUR DEFENSE TECHNOLOGY BASE HAS NOT. A NUMBER OF INDUSTRIES ARE BEING IDENTIFIED AS NON-COMPETITIVE IN WORLD MARKETS. THIS IS OF GREAT CONCERN TO THE DEPARTMENT WHEN THIS TRANSLATES INTO THE REDUCTION OF INDIGENOUS MANUFACTURING CAPABILITY OF PRODUCTS THAT WILL BE NEEDED TO SUPPORT OUR TROOPS IN ANY POTENTIAL SUSTAINED CONFLICT. WE CAN'T AFFORD TO BE SANGUINE ABOUT THE DEFENSE IMPLICATIONS IF THESE NON-COMPETITIVE INDUSTRIES SHOULD FAIL AND DISAPPEAR FROM OUR SHORES. MANY IN THIS ROOM CAN REMEMBER A RECENT CONFLICT, WORLD WAR II, WHERE OUR SUPPLY LINES WERE IN CONSTANT JEOPARDY, AND THE "ARSENAL OF DEMOCRACY" IN ADDITION TO THE VIGOR OF OUR FIGHTING FORCES, HELPED TO ACHIEVE VICTORY. WE MAY LIVE IN A DIFFERENT WORLD NOW, BUT WE SHOULD NEVER FORGET THAT LESSON; NOR SHOULD OUR ALLIES.

SPECIFICALLY, WE ARE DEVELOPING A NATIONAL CONSENSUS ON A DEPARTMENT OF DEFENSE STRATEGY FOR BOLSTERING INDUSTRIAL COMPETITIVENESS THAT DIRECTLY SUPPORTS THE PRESIDENT'S COMPETITIVENESS INITIATIVE. OUR GOAL, AS I HAVE STATED, IS TO SUSTAIN U.S. TECHNOLOGICAL AND MANUFACTURING LEADERSHIP AND THE WORLD CLASS CAPABILITY ESSENTIAL TO THE SECURITY OF THIS NATION. OUR INITIAL OBJECTIVES IDENTIFIED INCLUDE: INCREASING RESEARCH AND DEVELOPMENT FOR MANUFACTURING AND PROCESS TECHNOLOGY; IMPROVING MANUFACTURING PROCESS EDUCATION AND TRAINING; ENCOURAGING CAPITAL INVESTMENT; STRENGTHENING THE SUPPLIER AND BASIC INDUSTRY FOUNDATION; PROVIDING MANAGEMENT FOCUS ON MANUFACTURING; ENCOURAGING CONTRACTOR EFFICIENCY/QUALITY/PRODUCIBILITY; ENCOURAGING EFFECTIVE INTELLECTUAL PROPERTY RIGHTS; SEEKING A BETTER BALANCE BETWEEN INTERNATIONAL COOPERATION AND

DOMESTIC CAPABILITY; STRENGTHENING OUR INDUSTRIAL BASE ANALYSIS AND PLANNING CAPABILITY; AND ENCOURAGING (BREAKING DOWN BARRIERS TO) COOPERATIVE VENTURES.

A COOPERATIVE VENTURE, OR WHAT I CALL COOPERATIVE ENTREPRENEURIALISM, IS OUR BEST MEANS OF TAPPING OUR MOST ADVANCED TECHNOLOGIES SO WE CAN BECOME THE WORLD LEADER IN THAT TECHNOLOGY. COOPERATIVE ENTREPRENEURIALISM IS OUR METHOD FOR GETTING THE BEST OF ALL DISCIPLINES INVOLVED TO ACHIEVE A PARTICULAR GOAL AND ADVANCE THE STATE OF THE ART TO ITS LIMITS BY USING THE BEST BRAINS, FACILITIES, AND OTHER RESOURCES, NO MATTER WHERE THEY ARE. DURING A PERIOD OF LIMITED RESOURCES, WE MUST STOP PROTECTING OUR TURF AND BEGIN WORKING TOGETHER TO ACHIEVE WORLD-CLASS VALUE AND BE ABLE TO COMPETE AGAINST OUR OFTEN GOVERNMENT-SUPPORTED FOREIGN COMPETITORS. WE MUST INITIATE PROGRAMS, UTILIZING COOPERATIVE ENTREPRENEURIALISM WHEN IT IS APPROPRIATE, IN WHICH WE SHARE TECHNOLOGY AND CAPACITY TO MAXIMIZE THE VALUE-ADDED IN THE UNITED STATES.

IN JANUARY, AFTER FINAL CONSULTATION WITH INDUSTRY, ACADEMIA, AND LABOR, WE WILL PRESENT OUR FINAL STRATEGY TO THE SECRETARY OF DEFENSE. WE WILL BRIEF MEMBERS OF CONGRESS IN FEBRUARY, AND THEN WE WILL ANNOUNCE HOW WE INTEND TO PROCEED WITH ITS IMPLEMENTATION.

HOWEVER, IT WOULD BE IMPOSSIBLE TO BOLSTER INDUSTRIAL COMPETITIVENESS WITHOUT ADDRESSING QUALITY. QUALITY EXCELLENCE IS A MATTER OF CULTURE. WE MUST CHANGE THOSE CULTURAL ASPECTS THAT ARE DENYING US OUR OBJECTIVES. IT IS NOT JUST ENOUGH TO GET BY. OUR OVERSEAS COMPETITORS ARE SHOWING US THAT WE CANNOT CONTINUE ON THAT COURSE INDEFINITELY AND EXPECT TO MAINTAIN AN EFFECTIVE INDUSTRIAL BASE CAPABLE OF QUALITY DEFENSE PRODUCTION.

WE MUST TAKE THIS CHALLENGE SERIOUSLY. WE MUST REDIRECT OUR WORK FORCE, CHANGE OUR MANAGEMENT STYLES, IMPLEMENT NEW PROCESSES, AND MOST IMPORTANT, LISTEN TO OUR EMPLOYEES, AS WELL AS OUR CUSTOMERS: THE OPERATING FORCES. QUALITY MUST BECOME AN INTEGRAL ELEMENT OF EVERYTHING WE DO!

EVERYONE MUST BE AWARE THAT IMPROVEMENTS IN QUALITY CAN PROVIDE THE HIGHEST RETURN ON INVESTMENT, BECAUSE IT INVOLVES THE EFFICIENT USE OF EXISTING PEOPLE AND MATERIALS RESOURCES. THE REDUCTION OF ERRORS AT EVERY LEVEL REDUCES COSTS AND IMPROVES THE EFFECTIVE USE OF RESOURCES, NOT TO MENTION OUR REPUTATIONS. QUALITY DOESN'T COST, IT PAYS. WE NEED TO GET THIS MESSAGE OUT.

TO ACCOMPLISH THIS, WE MUST MAKE OUR PROCUREMENT SYSTEM MORE FLEXIBLE. DESIGNERS MUST WORK CLOSELY WITH MANUFACTURING ENGINEERS AND LOGISTICIANS. ONLY BY IMPROVING THE INTERACTION AMONG DESIGNERS, LOGISTICIANS, AND OPERATORS, WILL WE REDUCE THE COST OF THE LEGENDARY LOGISTIC TAIL. THIS TEAM MUST DEVELOP PRODUCIBLE DESIGNS THAT MEET PERFORMANCE EXPECTATIONS THAT ARE AFFORDABLE. WE HAVE ALREADY CREATED SUCH TEAMS WITH MEMBERS FROM RESEARCH AND ADVANCED TECHNOLOGY, PRODUCTION, AND LOGISTICS. THESE TEAMS, ONE OF WHICH IS ENGAGED IN FOCAL PLANE ARRAY DEVELOPMENT, ARE ENCOURAGING INDUSTRY TO PURSUE COOPERATIVE ENTREPRENEURIALISM APPROACHES, MUCH AS WE ARE ALSO ATTEMPTING WITH THE SEMICONDUCTOR MANUFACTURING TECHNOLOGY (SEMATECH) CONSORTIUM.

TOTAL QUALITY MANAGEMENT, OUR STRATEGY, IS ESSENTIAL TO ACHIEVING THIS GOAL. OUR STRATEGY, WHICH I INITIATED THROUGH THE ATTACHED MEMORANDUM ON OCTOBER 5, 1987, HAS A GOAL OF IMPROVING THE QUALITY OF DEPARTMENT OF DEFENSE PRODUCTS AND SERVICES WHILE ACHIEVING SUBSTANTIAL REDUCTIONS IN THE COST OF OWNERSHIP THROUGHOUT THE LIFE CYCLE OF OUR WEAPON SYSTEMS. TO ACHIEVE THIS GOAL, WE MUST CHANGE THE TRADITIONAL INSPECTION ORIENTED FOCUS ON QUALITY TO EMPHASIZE QUALITY EARLIER IN THE WEAPON SYSTEMS ACQUISITION PROCESS; TO EMPHASIZE COMPETITION BASED ON QUALITY AS WELL AS PERFORMANCE, COST, AND SCHEDULE; TO EXPLOIT THE INGENUITY OF ALL OUR PERSONNEL TO ACHIEVE QUALITY IMPROVEMENTS IN ALL OF OUR EFFORTS; TO ENCOURAGE THE IMPLEMENTATION OF CONCEPTS SUCH AS STATISTICAL PROCESS CONTROLS AND CONTINUOUS PROCESS IMPROVEMENT; AND TO EMPHASIZE THE USE OF SOUND WEAPON SYSTEMS ENGINEERING DESIGN AND MANUFACTURING PRACTICES.

THE APPLICATION OF TOTAL QUALITY MANAGEMENT PRINCIPLES IS THE ONLY WAY WE CAN ACHIEVE WORLD CLASS VALUE FROM WHICH WE ALL CAN BENEFIT. OUR WORLD-WIDE COMPETITORS ARE EFFECTIVELY APPLYING QUALITY TECHNOLOGY AND CONCEPTS THAT ORIGINATED IN THE UNITED STATES. UNFORTUNATELY, WE, IN DEPARTMENT OF DEFENSE AND INDUSTRY, HAVE NOT READILY RECOGNIZED THAT QUALITY TECHNOLOGY IS THE KEY. DR. W. EDWARDS DEMING, AN AMERICAN AND THE WORLD'S LEADING EXPERT ON QUALITY AND PRODUCTIVITY ENHANCEMENT, MAKES HIS HOME AND OFFICE RIGHT HERE IN WASHINGTON, D.C., BUT HAS HAD ALL HIS ADHERENTS IN JAPAN. WE MUST CHANGE THIS. THE QUALITY TECHNOLOGY WE MUST APPLY INCLUDES: CONTINUOUS PROCESS IMPROVEMENT, AUTOMATED PROCESS CONTROLS, SELF-CORRECTING MANUFACTURING PROCESSES, BUILT-IN DIAGNOSTICS, AUTOMATED INSPECTION, AND STATISTICAL PROCESS CONTROLS.

AS I HAVE STATED, THE BROAD GOAL FOR THIS STRATEGY IS TO CHANGE OUR CULTURAL MIND-SET IN REGARD TO QUALITY. WE NEED TO STRONGLY SIGNAL THAT THE DEPARTMENT IS TAKING A LEADERSHIP POSITION AND IS COMMITTED; CONCURRENTLY WITH OUR LEADERSHIP ROLE FOR BOLSTERING INDUSTRIAL COMPETITIVENESS.

UNDER THE TOTAL QUALITY MANAGEMENT STRATEGY, ALL OF US ARE INTEGRATING THE MOST IMPORTANT MANAGEMENT INITIATIVES RELATED TO QUALITY. THE POLICY AREAS WE ARE INTEGRATING IN THIS STRATEGY INCLUDE: ACQUISITION STREAMLINING, COMPETITION FOR QUALITY, STATISTICAL PROCESS CONTROL AND CONTINUOUS PROCESS IMPROVEMENT, EFFORTS ASSOCIATED WITH IMPROVING THE TRANSITION FROM DEVELOPMENT TO PRODUCTION, VALUE ENGINEERING, WARRANTIES, AND GAIN-SHARING

WE ARE USING THE TOTAL QUALITY MANAGEMENT STRATEGY AS THE MEANS TO REDUCING THE COST OF OWNERSHIP FOR DEPARTMENT OF DEFENSE WEAPON SYSTEMS AND COMPONENTS; AND TO ASSURE THAT OUR PERFORMANCE, PRODUCIBILITY, RELIABILITY, AND SERVICEABILITY GOALS ARE REALISTIC.

WE HAVE DEVELOPED THE CONCEPT OF TOTAL QUALITY MANAGEMENT TO BE CONSISTENT WITH THE DEPARTMENT OF DEFENSE POSTURE ON QUALITY, WHICH STATES: AN EFFICIENT DEFENSE INDUSTRY WITH ITS UNDERLYING INDUSTRIAL BASE IS THE

KEY TO OUR ABILITY TO MAINTAIN QUALITATIVE SUPERIORITY AND READINESS; QUALITY IS ABSOLUTELY VITAL TO OUR DEFENSE, AND REQUIRES A COMMITMENT TO CONTINUOUS IMPROVEMENT; IMPROVEMENTS IN QUALITY PROVIDE AN EXCELLENT RETURN ON INVESTMENT AND, THEREFORE, MUST BE PURSUED TO ACHIEVE PRODUCTIVITY GAINS; TECHNOLOGY, BEING ONE OF OUR GREATEST ASSETS, MUST BE WIDELY USED TO CONTINUOUSLY IMPROVE THE QUALITY OF DEFENSE SYSTEMS, EQUIPMENT, AND SERVICES; QUALITY MUST BE A KEY ELEMENT OF COMPETITION; ACQUISITION STRATEGIES MUST INCLUDE QUALITY OBJECTIVES, AND LESSEN OWNERSHIP COSTS; MANAGERS AT ALL LEVELS MUST BE HELD ACCOUNTABLE FOR THE QUALITY OF THEIR EFFORTS; COMPETENT, DEDICATED EMPLOYEES CAN MAKE THE GREATEST CONTRIBUTIONS TO QUALITY AND PRODUCTIVITY, AND MUST BE RECOGNIZED AND REWARDED ACCORDINGLY; QUALITY CONCEPTS MUST BE INGRAINED THROUGHOUT EVERY ORGANIZATION WITH THE PROPER TRAINING AT EACH LEVEL AND; SUSTAINED DEPARTMENT OF DEFENSE-WIDE ACTIVITY, VIGILANCE, AND CONCERN WITH RESPECT TO HIGH QUALITY AND PRODUCTIVITY GOALS MUST BE A PERMANENT PART OF OUR CULTURE.

WE WILL ENCOURAGE AND GIVE PREFERENCE TO OUR QUALITY PRODUCERS. IN ONE FACILITY I RECENTLY VISITED, ONE HUNDRED PERCENT OF THE INTEGRATED CIRCUITS PRODUCED THERE ARE ACCEPTED BY US; YET, NONE OF THE PROCESSES, ALL OF WHICH ARE STATE-OF-THE-ART, MEET OUR PROCESS SPECIFICATIONS. THIS IS AN INTOLERABLE SITUATION WHICH WE ARE ATTEMPTING TO REVERSE THROUGHOUT THE DEPARTMENT AND DEFENSE INDUSTRY. AS WE PROGRESS TODAY, YOU WILL NOTE THE CONVERGENCE OF OUR EFFORTS.

AS WE HAVE DONE TO IMPLEMENT OUR OTHER STRATEGIES, WE ARE PLANNING AN INDUSTRY/GOVERNMENT CONFERENCE IN DECEMBER. WE ARE DEVELOPING A CAREER PROGRAM FOR QUALITY ASSURANCE PERSONNEL, CONTRACTUAL LANGUAGE AND INCENTIVES TO IMPROVE QUALITY, UPDATING MANAGEMENT TRAINING PROGRAMS, AND IDENTIFYING PROTOTYPE PROGRAMS TO DEMONSTRATE IMPLEMENTATION. AS OUR EFFORTS COME TO FRUITION OVER TIME, WE WILL BE HAPPY TO INFORM YOU OF OUR PROGRESS.

WE WILL ALSO DEVELOP AN ENCOMPASSING STRATEGY FOR ALL OF OUR INTERNATIONAL TECHNOLOGY, ACQUISITION, AND LOGISTICS PROGRAMS. THIS IS THE FIRST NEW GOAL WE WILL DISCUSS THAT I WILL SET, SHOULD YOU CONFIRM ME AS THE UNDER SECRETARY FOR ACQUISITION. IT IS REPRESENTATIVE OF THE MANAGEMENT TECHNIQUES I HAVE AND WILL USE, AND IS A GUIDE BY WHICH YOU CAN MEASURE MY PERFORMANCE. WHILE IT MAY SEEM ODD THAT I WOULD ADDRESS INTERNATIONAL PROGRAMS NEXT, THEY HAVE A DIRECT BEARING ON OUR DEFENSE INDUSTRIAL BASE AND THE QUALITY OF OUR WEAPON SYSTEMS. CURRENTLY, WE ARE DOING SO FOR PRODUCTION AND LOGISTICS ISSUES IN THE NORTH ATLANTIC TREATY ORGANIZATION. PART OF OUR GOAL IS TO INSTILL THE RECOGNITION, AS I HAVE STATED, THAT THE UNITED STATES AND THE DEPARTMENT OF DEFENSE NEED A COMPETITIVE, PRODUCTIVE, AND HIGH QUALITY INDUSTRIAL BASE.

FLAT OR DECREASING BUDGET TRENDS IN EVERY ALLIANCE NATION MAKE IT CLEAR THAT INCREASED COOPERATION IS ESSENTIAL IF WE ARE TO REACH OUR CONVENTIONAL DEFENSE IMPROVEMENT GOALS. BUT, WHILE I WILL REAFFIRM MY COMMITMENT TO MUTUAL COOPERATION IN DEFENSE EQUIPMENT PRODUCTION AND PURCHASING, I MUST VOICE CONCERNS THAT WILL BE REFLECTED IN OUR STRATEGY. THESE CONCERNS ARE HIGHLIGHTED BY THE TRANSFER OF TECHNOLOGY BY U.S. INDUSTRY TO FOREIGN COMPETITORS, AND THE SERIOUS IMPACT IT HAS ON U.S. COMPETITIVENESS. ADDITIONALLY, OUR IMPORTS ARE INCREASING WHILE OUR DEFENSE EXPORTS AND WORLD-WIDE MARKET SHARES ARE DECLINING.

USING THE NORTH ATLANTIC TREATY ORGANIZATION AS AN EXAMPLE, OUR POLICIES FOR RATIONALIZATION, STANDARDIZATION, AND INTEROPERABILITY ARE DESIGNED TO STRENGTHEN THE "NATO INDUSTRIAL BASE" BY REMOVING BARRIERS TO INCREASED NATO PARTICIPATION IN U.S. WEAPONS PURCHASES. OTHER DEPARTMENT OF DEFENSE POLICIES FOR PRESERVATION OF THE U.S. MOBILIZATION BASE WORK TO SUPPORT CRITICAL INDUSTRIAL CAPACITY IN THE UNITED STATES AND CANADA. BECAUSE OVEREMPHASIS OF EITHER NEGATIVELY IMPACTS THE GOALS OF THE OTHER, IT IS VERY IMPORTANT THAT WE DO THE BEST JOB POSSIBLE IN BALANCING THE NEEDS OF RATIONALIZATION, STANDARDIZATION, AND INTEROPERABILITY AND THE MOBILIZATION BASE. MEANWHILE, WE

HAVE TENDED TO IGNORE THESE SAME PRINCIPLES, RATIONALIZATION, STANDARDIZATION, AND INTEROPERABILITY, IN RELATION TO JAPAN. YET, WE OFTEN THINK OF JAPAN AS ABLE TO SUPPORT ALL OF OUR REQUIREMENTS FOR SUSTAINING OUR FIGHTING FORCES. ITS TIME, EVEN FOR THINGS AS SIMPLE AS SHIPPING CONTAINERS, THAT WE BEGIN TO PURSUE STANDARDIZATION OF CERTAIN EQUIPMENT BETWEEN JAPAN AND THE UNITED STATES.

IN ESSENCE, WE ARE GOING TO ATTEMPT TO DEFINE A STRATEGY THAT WILL NOT ONLY ALLOW US TO MEET OUR ACQUISITION AND LOGISTICS GOALS IN THE NORTH ATLANTIC TREATY ORGANIZATION, BUT ALSO IN THE PACIFIC, AND THEN, OTHER UNIFIED COMMAND AREAS. IN LOGISTICS FIELDS, WE WILL ATTEMPT TO PROMOTE INTEROPERABILITY AND STANDARDIZATION; AND IN ACQUISITION OVERALL, APPROPRIATE GAIN FOR THE UNITED STATES INDUSTRIAL BASE AND OUR INTERNATIONAL LEADERSHIP.

THIS BRINGS US TO AN OFT DEBATED, FREQUENTLY MISAPPLIED, YET ABSOLUTELY ESSENTIAL CONCEPT THAT IS THE STAPLE OF OUR SOCIETY: COMPETITION. IN FISCAL YEAR 1983, WE CONDUCTED COMPETITIONS FOR 40 PERCENT OF DEPARTMENT OF DEFENSE PROCUREMENT; WE INCREASED TO 57.2 PERCENT IN FISCAL YEAR 1986; AND IN THE FIRST ELEVEN MONTHS OF FISCAL YEAR 1987 WE REACHED 60.1 PERCENT. WE EXPECT THIS FIGURE TO REMAIN IN THE 60 PERCENT RANGE IN FISCAL YEAR 1988.

ALTHOUGH THE FORMER STATISTICS INDICATE WE ALL RECOGNIZE THE BENEFITS OF COMPETITIVE PROCUREMENT, WE STILL HAVE TO ENCOURAGE COMPETITION TO ENSURE WE DON'T TAKE THE OLD, EASY WAY: SOLE SOURCE PROCUREMENT.

RECENT LEGISLATION REQUIRES THAT ALL MAJOR PROGRAMS BE REVIEWED FOR COMPETITIVE ALTERNATIVE SOURCES FROM FULL SCALE DEVELOPMENT THROUGH THE END OF PRODUCTION. STILL, SOME MIGHT STATE THAT CONDUCTING COMPETITIONS FOR EVERYTHING AT ANY COST IS NOT A SOUND POLICY. BUT IF YOU ARE INNOVATIVE, YOU CAN INJECT A TYPE OF COMPETITION INTO EVERY PURCHASE, WHILE REDUCING COST, INCREASING QUALITY, OR ACHIEVING OTHER SIGNIFICANT BENEFITS. INNOVATION AND THE DESIRE TO TAKE JUSTIFIED RISKS ARE KEY. WHILE DEVELOPING A DUAL-SOURCE IN THE DEVELOPMENT PHASE IS RELATIVELY INEXPENSIVE, IT MAY COST A GREAT DEAL OF MONEY, UP-FRONT, TO

DEVELOP A DUAL-SOURCE FOR A MAJOR SYSTEM ALREADY IN PRODUCTION.

MANY FACTORS MUST BE CONSIDERED, PARTICULARLY THE FINANCIAL INVESTMENT, WHICH COMPRISES RECURRING AND NON-RECURRING COSTS AND SOME FORM OF PRESENT VALUE ANALYSIS. WE MAY NEVER RECOUP THAT INVESTMENT, SO THE NON-COST BENEFITS FOR DEVELOPING A DUAL-SOURCE MUST BE WORTHWHILE, IF THEY AREN'T, THE ONLY THING WE HAVE ACCOMPLISHED IS TO NEEDLESSLY WASTE ONE OF OUR MOST VALUABLE COMMODITIES: CAPITAL. WE MUST KNOW ALL THE ADVANTAGES AND DISADVANTAGES UP-FRONT SO WE ALL HAVE A CLEAR IDEA OF WHAT WE ARE BUYING THROUGH A COMPETITION.

IN ADDITION TO ESTABLISHING A DUAL-SOURCE, WE HAVE USED OTHER TECHNIQUES TO GET SOME BENEFITS THAT WE SEEK THROUGH COMPETITION, SUCH AS CONDUCTING "SHOULD COST" STUDIES OF SOLE SOURCE PRODUCERS. HOWEVER, "SHOULD COST" IS REALLY A METHODOLOGY FOR ESTABLISHING A BASELINE AFTER THE ASSUMPTION IS MADE THAT WE WILL CONTINUE TO DO BUSINESS THE WAY WE ALWAYS HAVE DONE BUSINESS.

I'D LIKE TO INTRODUCE A NEW CONCEPT TO THE ACQUISITION VOCABULARY: "COULD COST." ITS A NEW METHODOLOGY THAT INTRODUCES COMPETITION IN A SOLE-SOURCE ENVIRONMENT; THE 40 PERCENT FOR WHICH WE DON'T CONDUCT COMPETITIONS. WE WANT TO USE THIS TYPE OF COMPETITION TO REDUCE THE COST OF MANY SPECIAL ACCESS PROGRAMS, FOLLOW-ON PROGRAMS, AND PROGRAMS IN PRODUCTION FOR WHICH WE CAN'T CONDUCT A COMPETITION BECAUSE WE ARE, FOR VARIOUS REASONS, INEXTRICABLY LINKED TO THE ONLY SUPPLIER. WHAT IS "COULD COST"? IT IS THE COST OF A WEAPON SYSTEM IF WE FUNDAMENTALLY CHANGE THE WAY WE DO BUSINESS IN TODAY'S MARKETPLACE. IT IS HOW BOTH, THE DEPARTMENT OF DEFENSE AND DEFENSE INDUSTRY, CAN BENEFIT BY REALLY DOING BUSINESS DIFFERENTLY.

THROUGH "COULD COST", WE APPROACH CONTRACTORS AND REMIND THEM WE'RE IN THIS TOGETHER; AND UNLESS WE CAN SHOW A POSITIVE IMPACT ON THE COST OF DOING BUSINESS -- ON THE BOTTOM LINE -- WE MAY HAVE TO CONDUCT A TRADITIONAL COMPETITION FOR A DUAL-SOURCE.

THE KEY TO "COULD COST" IS TO DETERMINE WHAT A SYSTEM WOULD COST IF WE COULD WRITE NEW CONTRACTS TO MINIMIZE THE NON-VALUE ADDED WORK DONE BY A CONTRACTOR. IT DOESN'T MEAN CHANGING A SYSTEM'S MISSION OR REQUIREMENTS. IT MEANS LOOKING AT CONSISTENT MULTI-YEAR BUYS; LOOKING AT AUDITS; REVIEWING OVERHEAD; DETERMINING IF THERE REALLY IS A NEED FOR THAT BIG MARKETING FORCE; FIGURING OUT HOW MUCH DOCUMENTATION YOU REALLY NEED? WHAT DO YOU GAIN IF YOU REDUCE ENGINEERING?; AUDITORS?; PERSONNEL?; ETC? AS WE GET FURTHER INTO A PROGRAM, MAYBE WE CAN REDUCE OVERHEAD EVEN FURTHER. OVERHEAD REQUIREMENTS ARE ROUGHLY 30 PERCENT OF MOST CONTRACT COSTS TODAY.

"COULD COST" IS A MAJOR CULTURAL CHANGE. WE, THE DEPARTMENT OF DEFENSE, HAVE BEEN PAYING FOR EVERYTHING FOR YEARS, SO SOME WILL BE APPREHENSIVE ABOUT "COULD COST", BUT IT WILL WORK. ON ONE MAJOR PROGRAM, THE CONTRACTOR ANTICIPATES REDUCED COSTS OF 23 PERCENT BY USING "COULD COST". AS AN EXPERIMENT TO PROVE THE COULD COST CONCEPT, WE WILL BE ASKING EACH SERVICE TO TRY IT. THE AIR FORCE WILL EMPLOY IT ON A SPECIAL ACCESS PROGRAM AND THE NAVY ON THE TRIDENT D-5 MISSILE. CONDUCTING INNOVATIVE COMPETITION ISN'T RISKY - IT'S A SURE THING.

THE STRATEGIES I HAVE OUTLINED SO FAR ARE ALL LINKED TO ONE CRITICAL GOAL WE ARE PURSUING: ACQUISITION REGULATORY REFORM. OUR GOAL IS TO MAKE IT EASIER AND QUICKER FOR COMMANDERS AND MANAGERS TO GET THE QUALITY PRODUCTS AND SERVICES THEY WANT, WHEN THEY WANT THEM, AT A REASONABLE PRICE.

CURRENTLY, WE ENCOURAGE A DOUBLE STANDARD. WE MAINTAIN A VOLUMINOUS SET OF PURCHASING REGULATIONS TO ABIDE BY IN PEACETIME; BUT IN WARTIME, OUR MOST IMPORTANT MISSION, WE REDUCE TO "BARE-BONES" THE SPECIFICATIONS AND REGULATIONS TO WHICH OUR SUPPLIERS NEED TO ADHERE. WE WANT TO MOVE TO A SYSTEM THAT GIVES MORE AUTHORITY TO THE INDIVIDUAL CONTRACTING OFFICER, ALLOWING THAT PERSON TO EXERCISE GOOD JUDGEMENT AND MAKE SOUND BUSINESS DECISIONS. BY REDUCING THE VOLUME OF OUR PEACETIME REGULATIONS CLOSER TO THE NUMBER WE REQUIRE IN WARTIME, OUR MOST IMPORTANT

ACTIVITY, WHILE STILL MAINTAINING ACCOUNTABILITY, WE CAN EMPHASIZE QUALITY, TIMELINESS, AND COST TO GET THE BEST VALUE; AND BETTER UTILIZE PROCUREMENT METHODS MORE IN LINE WITH COMMERCIAL PRACTICES.

WE HAVE INSTITUTED PILOT CONTRACTING ACTIVITIES, THROUGH THE ATTACHED MEMORANDUM DATED MARCH 11, 1987, AT 33 LOCATIONS IN THE ARMY, NAVY, AIR FORCE, AND DEFENSE LOGISTICS AGENCY, TO IDENTIFY REGULATORY IMPEDIMENTS AND TEST SOLUTIONS. WE ESTABLISHED THE PROGRAM TO CAPITALIZE ON THE ENTHUSIASM AND KNOWLEDGE OF PROCUREMENT PEOPLE IN THE FIELD; TO LET THEM USE THEIR ABILITIES TO TEST AND IDENTIFY INNOVATIVE PROCUREMENT METHODS. SIGNIFICANT CHANGES (WE HAVE ATTACHED EXAMPLES) ARE ALREADY IN PLACE, AND IN JANUARY THE FIRST EVALUATIONS OF THESE RECOMMENDATIONS WILL BE CONDUCTED. AFTER SUCCESSFUL TEST PERIODS, RECOMMENDATIONS WILL BE IMPLEMENTED THROUGHOUT THE DEPARTMENT OF DEFENSE.

THE MISSIONS OF OUR 33 PILOT CONTRACTING ACTIVITIES ARE TO (1) IDENTIFY PROCUREMENT LAWS AND REGULATIONS THAT ARE UNNECESSARILY COMPLEX AND RESTRICTIVE, (2) TEST INNOVATIVE PROCUREMENT METHODS, AND (3) TEST PROCUREMENT METHODS MORE IN LINE WITH COMMERCIAL PRACTICES.

UNDER THE TEST, THE SERVICES AND THE DEFENSE LOGISTICS AGENCY MAY ISSUE CLASS DEVIATIONS TO THE FEDERAL ACQUISITION REGULATION (FAR) AND THE DEFENSE FEDERAL ACQUISITION REGULATION SUPPLEMENT (DFARS), AND WAIVE ANY DEPARTMENT OF DEFENSE PROCUREMENT REGULATION NOT REQUIRED BY STATUTE OR EXECUTIVE ORDER. WE'RE ENCOURAGING ALL OF THEM TO FOCUS ON QUALITY AND TIMELINESS, AS WELL AS PRICE, TO GET THE BEST VALUE FOR THEIR CUSTOMERS: THE OPERATING FORCES.

SO FAR, WE HAVE IDENTIFIED 225 REGULATIONS THAT OUR FIELD-LEVEL PEOPLE FEEL INHIBIT THEIR ABILITY TO GET THEIR JOB DONE; AND 78 PERCENT OF ALL STAFFED REQUESTS TO DEVIATE FROM PROVISIONS OF THE ACQUISITION REGULATIONS HAVE BEEN APPROVED. ONE DEVIATION TO THE FAR/DFARS BEING TESTED BY THE NAVY AND THE AIR FORCE ALLOWS SEVEN DIFFERENT ACTIVITIES TO ELIMINATE THE NEED FOR A CONTRACTING OFFICER TO JUSTIFY EXERCISING A CONTRACT OPTION WHOSE USE IS AUTHORIZED

IN THE CONTRACT. THIS ALLOWS CONTRACTING OFFICERS TO EXERCISE THEIR AUTHORITY, IT SPEEDS UP THE PROCESS, AND IT IS JUST COMMON SENSE. A CONTRACT SIMPLIFICATION, CONSISTING OF GOVERNMENT AND INDUSTRY, WAS ALSO ESTABLISHED TO IDENTIFY NEEDED CHANGES TO THE FAR/DFARS. ITS MISSION WAS TO IDENTIFY POLICY AND PROCEDURAL CHANGES NEEDED TO SIMPLIFY AND IMPROVE THE DEFENSE ACQUISITION PROCESS. WE'RE REVIEWING ITS RESULTS.

RECENTLY, MAJOR DIRECTIVES WERE ISSUED BY THE DEPARTMENT OF DEFENSE DEALING WITH "MAJOR AND NON-MAJOR DEFENSE ACQUISITION PROGRAMS," "DEFENSE ACQUISITION PROGRAM PROCEDURES." AND ESTABLISHING THE "DEFENSE ACQUISITION BOARD." ADDITIONALLY, A CHARTER WAS ISSUED FOR THE "UNDERSECRETARY OF DEFENSE (ACQUISITION)".

THE SCOPE OF THOSE DOCUMENTS IS BROAD, AND USED APPROPRIATELY AND IN COMBINATION WITH THE ONGOING STRATEGIES I HAVE OUTLINED AND HAVE YET TO OUTLINE, WE CAN HAVE A MAJOR IMPACT ON HOW WE ACQUIRE WEAPON SYSTEMS AND ESPECIALLY ON HOW WE MANAGE SPECIAL ACCESS PROGRAMS. BASED ON OUR STRATEGIES, WE CAN "GET MORE FOR LESS." THIS WILL TAKE TIME AND WILL NOT OCCUR DRAMATICALLY, BUT THE RESULTS WILL EVENTUALLY BECOME OBVIOUS, AND THEIR IMPACT DRAMATIC.

DURING MY TENURE, IF I AM CONFIRMED, WE WILL IMPLEMENT THE ACQUISITION INFORMATION SYSTEM TO ASSIST THE DEFENSE ACQUISITION EXECUTIVE AND THE SERVICE ACQUISITION EXECUTIVES IN RECOMMENDING TO THE SECRETARY PROGRAMMATIC DECISIONS. WE ARE CURRENTLY ASSESSING WHICH PROGRAMS SHOULD BE INCLUDED, WHAT THE NECESSARY FREQUENCY OF REVIEWS SHOULD BE, AND THEIR EXTENT.

HOWEVER, EVEN IF WE HAD THE ACQUISITION INFORMATION SYSTEM TODAY, EVEN IF ALL OF OUR STRATEGIES WERE IMPLEMENTED NOW, AND ALL OF OUR GOALS ACHIEVED, WE STILL CAN'T PRODUCE ALL THE SYSTEMS AND FUND ALL THE PROGRAMS WE HAVE IDENTIFIED. AS WE RECONCILE THE DEFENSE BUDGET WITH FISCAL REALITY, WE WILL NEED TO MAKE TOUGH DECISIONS AND IMPLEMENT INNOVATIVE CONCEPTS TO STRETCH OUR DEFENSE DOLLAR. AS WE IMPLEMENT OUR STRATEGIES, AND REALIZE SAVINGS AND

EFFICIENCIES, WE WILL STILL HAVE TO MAKE SOME TOUGH DECISIONS AS TO WHICH PROGRAMS WILL GO INTO PRODUCTION AND WHICH WE MUST CANCEL. SOMETHING HAS TO GIVE SOONER OR LATER.

IN THIS REGARD, SOME HAVE QUESTIONED WHAT THE ROLE OF THE UNDER SECRETARY OF DEFENSE FOR ACQUISITION IS, NOT ONLY IN DETERMINING "HOW" WE BUY SOMETHING, BUT ALSO "WHAT" WE BUY. LET US LAY THIS QUESTION TO REST NOW. THE UNDER SECRETARY HAS THE FINAL AUTHORITY FOR DETERMINING ACQUISITION METHODOLOGY, WHICH IS THE "HOW" WE BUY. I DOUBT ANYONE WOULD DISPUTE THAT AT THIS POINT IN TIME OR IN THE FUTURE. THE UNDER SECRETARY ALSO HAS A ROLE IN "WHAT" WE BUY. WHEN THE DEFENSE ACQUISITION BOARD (DAB) MEETS TO RECOMMEND TO THE UNDER SECRETARY WHETHER A PROGRAM SHOULD BE APPROVED FOR THE NEXT MILESTONE, IT IS IN FACT CONSIDERING "WHAT" WE SHOULD BUY. THE UNDER SECRETARY UTILIZES THE DAB'S ADVICE TO MAKE HIS OWN RECOMMENDATION TO THE SECRETARY OF DEFENSE (NOTING DISSENTING VIEWS IF THEY EXIST) AS TO WHETHER A PROGRAM SHOULD BE AUTHORIZED TO PROCEED INTO ITS NEXT PHASE OR BE DISAPPROVED AND TERMINATED. TO ME, THAT'S A BIG VOICE IN DETERMINING "WHAT" WE BUY. THE "HOW" AND THE "WHAT" ARE PART AND PARCEL OF MAJOR SYSTEMS ACQUISITION.

CONCERNING MAJOR SYSTEMS ACQUISITION, WE WILL IMPLEMENT A SEVENTH STRATEGY TO REDUCE BY 50 PERCENT THE LEAD-TIME FOR INTRODUCING NEW TECHNOLOGY INTO OUR WEAPON SYSTEMS. DR. CLIFF DUNCAN, THE DIRECTOR FOR DEFENSE RESEARCH AND ENGINEERING-DESIGNATE, WILL BE "ON POINT" FOR ACCOMPLISHING THIS TREMENDOUS GOAL.

THE SEQUENTIAL, STEP-BY-STEP DEVELOPMENT AND PRODUCTION PROGRAMS WE ARE ALL FAMILIAR WITH ARE NO LONGER ADEQUATE FOR THE EFFECTIVE INTRODUCTION OF NEW TECHNOLOGY. CONCURRENT DEVELOPMENT AND PRODUCTION, WHICH IS NOT WITHOUT RISKS, CAN REDUCE BY OVER HALF THE DELIVERY TIME OF THE FIRST PRODUCT.

RISK HAS TO BE ACCEPTABLE, ALTHOUGH WE HAVE LOST SIGHT OF THIS IN RECENT YEARS. PRIOR TO THE FIRST SUCCESSFUL POLARIS LAUNCH, THERE WERE TWENTY-THREE FAILURES. IF WE WANT

TODAY'S TECHNOLOGY TODAY, REASONABLE RISK MUST BECOME ACCEPTABLE AGAIN. WE MUST ALLOW OUR RESEARCHERS TO FAIL TO SUCCEED!

THE VERY HIGH SPEED INTEGRATED CIRCUIT (VHSIC) PROGRAM, A DEFENSE INITIATIVE, HAS DEMONSTRATED A NEW LEVEL OF CAPABILITY OF WHICH WE HAVE YET TO TAKE ADVANTAGE. THE APPLICATION OF THIS TECHNOLOGY INTO CURRENT WEAPONS SYSTEMS NEEDS TO BE REQUIRED AND ACCELERATED BY THE DEPARTMENT AND INDUSTRY, AND IS JUST ONE EXAMPLE OF WHY WE MUST REDUCE THE LEADTIME FOR INTRODUCING NEW TECHNOLOGY INTO WEAPON SYSTEMS.

WHILE OVER 60 SYSTEMS HAVE VHSIC PRODUCTS IN THEIR PLANS, VHSIC PARTS ARE ONLY IN ONE CURRENT, DEPLOYED SYSTEM. THIS IS UNACCEPTABLE. WE, THE DEPARTMENT OF DEFENSE, MUST DO BETTER. THE TECHNOLOGY IS AVAILABLE AND PROVEN; AND THE JAPANESE ARE ALREADY USING EQUIVALENT TECHNOLOGY IN COMMERCIAL APPLICATIONS. IT IS TIME TO TAKE ADVANCED PRODUCT AND MANUFACTURING TECHNOLOGY AND EXPLOIT IT. NEW TECHNOLOGY SHOULD PROVIDE US LOWER COST, BETTER QUALITY, AND EVEN MORE COMPACT SYSTEMS TO ACHIEVE OUR NEEDS THROUGH LEADING-EDGE PRODUCT AND PROCESS TECHNOLOGY. TO HELP ACCOMPLISH THIS, WE ARE NOW REQUIRING A BUSINESS PLAN FROM THE GROUND FLOOR, JUST AS WE WOULD A DESIGN PLAN. THIS GETS US BACK TO OUR TEAMING MANUFACTURING ENGINEERS WITH LOGISTICIANS AND RESEARCHERS; AND PURSUING APPROACHES SUCH AS COOPERATIVE ENTREPRENEURIALISM.

PARALLEL TO MATERIALS DEVELOPMENT, IT IS ESSENTIAL THAT WE CONDUCT APPLICATIONS DEVELOPMENT TO ENSURE WE INTEGRATE NEW PRODUCTS AND PROCESSES AS EARLY AS POSSIBLE INTO OUR WEAPON SYSTEMS. WE MUST SHORTEN THE TECHNOLOGY CYCLE TIME. WE MUST BE WILLING TO ACCEPT GREATER RISKS AND BOLDLY PURSUE CONCURRENCY OF MATERIALS AND APPLICATIONS DEVELOPMENT TO ENSURE WE UTILIZE THE TECHNOLOGY WE DEVELOP IN A TIMELY FASHION. SO WHEN OUR RESEARCH IS COMPLETED, OUR PROCESS OR PRODUCT IS READY TO BE USED.

WE MUST RELY ON U.S. INDUSTRY TO DO THE LION'S SHARE TO DEVELOP WORLD CLASS MANUFACTURING PROCESSES. MORE EMPHASIS MUST BE GIVEN TO STATISTICAL PROCESS QUALITY

CONTROL, TO INTEGRATED COMPUTER-AIDED DESIGN AND MANUFACTURING, TO GREATER AUTOMATION, AND TO THE APPLICATION OF TECHNOLOGIES, SUCH AS VHSIC.

WE ARE ABOUT TO ENTER A NEW COMMUNICATIONS ERA THROUGH THE USE OF FIBER OPTICS. WE ARE ON THE BRINK OF BEING ABLE TO STEER AN AIRCRAFT BY LIGHT INSTEAD OF BY WIRE. YET, WE HAVE BEEN SLOW TO TAKE ADVANTAGE OF THIS BREAKTHROUGH OR SIMILAR ADVANCES. THROUGH THIS STRATEGY OF REDUCING THE TECHNOLOGY LEAD-TIME BY 50 PERCENT, WE WILL ATTEMPT TO INTEGRATE REVOLUTIONARY OR EVOLUTIONARY ADVANCES QUICKLY AND EFFECTIVELY.

TO ASSIST IN ACHIEVING THIS GOAL, WE NEED TO REWRITE OUR SPECIFICATIONS TO CAPTURE THE LATEST STATE-OF-THE-ART TECHNOLOGY. IF WE DON'T, WE'LL ONLY END UP PREVENTING ENGINEERS FROM USING STATE-OF-THE-ART TECHNOLOGY IN OUR SYSTEMS. WITHIN THE LAST DECADE IN THE COMMERCIAL ELECTRONICS INDUSTRY, WE HAVE WATCHED OUR ACCEPTABLE QUALITY LEVEL FAILURE RATE INCREMENTALLY DECREASE FROM ONE PART PER HUNDRED TO ONE PART PER BILLION, GIVING US MUCH INCREASED PERFORMANCE WITH LOWER COST; AND THAT ELIMINATES WASTE. WE, IN THE DEPARTMENT OF DEFENSE, NEED TO TAKE ADVANTAGE OF THESE ADVANCES.

UNTIL NOW, OUR CULTURE HAS DICTATED THAT WE WRITE SPECIFIC PRODUCT REQUIREMENTS INSTEAD OF LOOKING AT A PROCESS (WHICH IS PART OF TOTAL QUALITY MANAGEMENT). BUT A SPECIFICATION SHOULD ALLOW US TO MEET OUR NEEDS AND ALSO DRIVE US TO IMPROVEMENT. WITNESS THE PROBLEM AT THAT ELECTRONICS ASSEMBLY PLANT I MENTIONED, WHERE INNOVATIVE MANAGEMENT AND DEPARTMENT OF DEFENSE PLANT REPRESENTATIVES DIDN'T LET ANTIQUATED SPECIFICATIONS PREVENT THEM FROM IMPLEMENTING LEADING-EDGE TECHNOLOGY AND PRODUCING WORLD-CLASS INTEGRATED CIRCUITS. WE RECENTLY REDUCED OUR SOLDER SPECIFICATION FROM NINE SPECIFICATIONS WITH OVER 300 SUPPORTING DOCUMENTS TO TWO SPECIFICATIONS WITH STILL TOO MANY PAGES. WE ARE PROGRESSING, BUT I DOUBT THAT THE NEW SPECIFICATIONS WILL ENABLE US TO SOLDER ANY BETTER. ONLY "LIVING SPECIFICATIONS" THAT ALLOW CONSISTENCY IN THE PROCESS, AND ENCOURAGE STRIVING FOR BETTER TOLERANCES AND LIMITS, WHICH CAN INCORPORATE NEW PROCESSES INTO THE

GENERAL BODY OF KNOWLEDGE, WILL PRODUCE BETTER SOLDER JOINTS. UNTIL THEN, WE WILL HAVE TO RELY ON 100 PERCENT INSPECTION. "LIVING SPECIFICATIONS" WILL ALLOW US TO INCORPORATE NEW IDEAS, TECHNOLOGY, AND TECHNIQUES, AND WILL HELP MAKE RISK-TAKING ACCEPTABLE.

BECAUSE ALL OF THESE AREAS ARE RELATED, NOT ONLY TO EACH OTHER BUT TO DEFENSE INDUSTRY, WE HAVE ATTEMPTED DURING MY TENURE TO PURSUE A STRATEGY OF FORGING THE RIGHT RELATIONS WITH INDUSTRY. WE NEED TO ESTABLISH A RELATIONSHIP BASED ON MUTUAL TRUST BETWEEN INDUSTRY AND OURSELVES.

WE DESERVE, INDEED DEMAND, SUPPLIERS THAT DELIVER QUALITY PRODUCTS AND CONDUCT THEMSELVES WITHIN THE HIGHEST STANDARDS OF INTEGRITY AND ETHICS. WHILE SOME DEFENSE COMPANIES HAVE EMBRACED THE CONCEPT OF SELF-GOVERNANCE AND VOLUNTARY DISCLOSURE, MANY HAVE NOT TAKEN AGGRESSIVE ACTION IN THIS REGARD.

WE WILL ATTEMPT TO PURSUE THIS STRATEGY MORE AGGRESSIVELY THAN WE HAVE. IN AN ENVIRONMENT IN WHICH WE PROCESSED 14.4 MILLION CONTRACT ACTIONS FOR A TOTAL OBLIGATION VALUE OF \$158.8 BILLION IN FISCAL YEAR 1986, THERE WERE ONLY \$78.5 MILLION THAT HAD TO BE RECOVERED BY THE DEPARTMENT OF DEFENSE AND 12,436 CLOSED CRIMINAL INVESTIGATIONS THAT RESULTED IN FINES, PENALTIES, RESTITUTIONS, RECOVERIES, SETTLEMENTS, AND JUDGEMENTS. I KNOW THAT THERE ARE PROBABLY OTHER PROBLEMS OUT THERE WE HAVEN'T IDENTIFIED. NOTWITHSTANDING THAT, STATISTICALLY, THIS ISN'T BAD; BUT 12,436 CASES IS STILL 12,436 CASES AND ITS NOT GOOD ENOUGH.

TRUST IS A KEY ELEMENT OF SELF-GOVERNANCE AND SELF-DISCLOSURE. WE WILL ATTEMPT TO FORGE GREATER TRUST AND REDUCE THOSE STATISTICS, EVEN MORE. THE IMPORTANT ASPECT TO REMEMBER IS THOSE STATISTICS, IN SOME CASES, REPRESENT SUBSTANDARD MATERIAL FOR USE BY OUR SOLDIERS, SAILORS, AIRMEN, AND MARINES. NOT ONLY THOSE OF US IN THE EXECUTIVE OR LEGISLATIVE BRANCHES, BUT ALSO THOSE IN DEFENSE INDUSTRY, ARE KEENLY AWARE OF THAT AND GENERALLY ATTEMPT TO PROVIDE THEM WITH THE BEST MATERIEL AVAILABLE ANYWHERE IN THE WORLD.

OUR SUCCESS WITH MODEL PROGRAMS HAS BEEN DRAMATIC, AND WE INTEND TO CAPITALIZE UPON IT BY CREATING A MODEL CONTRACTOR PROGRAM FOR CONTRACTOR FACILITIES THAT DEMONSTRATE ATTENTION TO QUALITY IN THE PROCESS AS WELL AS THE PRODUCT; IN COMBINATION WITH MAINTAINING HIGH ETHICAL STANDARDS WHILE DEMONSTRATING THEY ARE CAPABLE OF SELF-GOVERNANCE. WE WILL PROMOTE STABLE AND UNIFORM POLICIES, BUT INDUSTRY MUST DEMONSTRATE ITS ABILITY FOR SELF-GOVERNANCE AS WELL.

IN LIGHT OF OUR GOAL OF FORGING GREATER TRUST BETWEEN INDUSTRY AND OURSELVES, AS INDUSTRY EMBARKS ON A SEARCH FOR SELF-GOVERNANCE AND UTILIZING SELF-DISCLOSURE, WE WILL CONTINUE TO IMPLEMENT OUR NINTH GOAL (ANOTHER STRATEGY WHICH REQUIRES BETTER EMPHASIS) OF INCREASING THE EFFECTIVENESS OF THE RESEARCH AND DEVELOPMENT, PROCUREMENT, AND LOGISTICS WORKFORCE.

OUR ACQUISITION OFFICERS ARE DEDICATED, QUALIFIED INDIVIDUALS. BUT WE COMPETE WITH OTHER AGENCIES AND PRIVATE INDUSTRY TO RETAIN OR RECRUIT HIGH CALIBER PERSONNEL. THEREFORE, WE MUST PROVIDE THE LEADERSHIP AND INSTITUTE PROGRAMS THAT ENSURE OUR ACQUISITION OFFICERS WILL BE EFFECTIVE AND PRODUCTIVE, SO WE CAN RETAIN THEM. WE'RE STILL LOOKING FOR THE BEST METHOD TO ACHIEVE THIS GOAL.

TO ACCOMPLISH THIS STRATEGY, WE ARE IDENTIFYING THE BASELINE OF THE ENTIRE WORKFORCE IN TERMS OF NUMBERS, EDUCATION, ETC. THERE ARE ALSO PROGRAMS UNDERWAY TO UPGRADE THE EDUCATION, TRAINING, AND EXPERIENCE REQUIREMENTS FOR PROGRAM MANAGERS, CONTRACTING, AND QUALITY ASSURANCE STAFF. THROUGH ADVANCEMENTS IN ELECTRONIC DATA INTERCHANGE AND ARTIFICIAL INTELLIGENCE, WE ARE ALSO PROVIDING THEM WITH THE TOOLS TO IMPROVE THEIR PRODUCTIVITY AS WELL AS THE QUALITY AND TIMELINESS OF MANAGEMENT ACTIONS.

SEVERAL PROPOSALS HAVE BEEN IDENTIFIED TO FACILITATE ACCOMPLISHING THESE GOALS, INCLUDING A DEFENSE INSTITUTE OR UNIVERSITY OF ACQUISITION MANAGEMENT. OUR GOAL IS TO SET ACQUISITION/TRAINING POLICY, NOT CONDUCT TRAINING. THE

SERVICES AND THE DEFENSE LOGISTICS AGENCY HAVE TENTATIVELY OFFERED TO TAKE RESPONSIBILITY FOR DIVIDING THE LION'S SHARE OF THE WORK AMONG THEMSELVES AND THEN SHARING THE RESULTS WITH EACH OTHER. WE'RE PURSUING THAT APPROACH NOW.

WE ARE EXAMINING THE ISSUE OF DUPLICATIVE REVIEWS AT BOTH PRIME CONTRACTORS AND SUBCONTRACTORS. WE HAVE ENLISTED THE ASSISTANCE OF THE COUNCIL OF DEFENSE AND SPACE INDUSTRY ASSOCIATIONS TO TRACK REVIEWS FOR SIX MONTHS AT TEN PRIME CONTRACTORS AND TEN SUBCONTRACTORS TO GAIN INSIGHT INTO THE PROBLEM. WE EXPECT THAT THIS DATA WILL BE AVAILABLE IN JANUARY, AND WE INTEND TO USE IT TO DETERMINE ANY ADDITIONAL ACTIONS THE DEPARTMENT MUST IMPLEMENT TO ELIMINATE DUPLICATIVE AND UNCOORDINATED REVIEWS.

BEFORE CLOSING, I WOULD LIKE TO EMPHASIZE OUR TENTH AND FINAL STRATEGY, THE DEFENSE DEPARTMENT'S COMMITMENT TO SMALL AND SMALL-DISADVANTAGED BUSINESSES. IT TRANSCENDS EVERYTHING WE DO.

SMALL BUSINESSES ARE A KEY ELEMENT OF THIS NATION'S INDUSTRIAL BASE. THEY ENHANCE OUR MOBILIZATION READINESS BASE AND PROVIDE QUALITY PRODUCTS AND SERVICES AT FAIR AND REASONABLE PRICES. WE IN THE DEPARTMENT OF DEFENSE HAVE AN AGGRESSIVE AND COMMITTED SMALL BUSINESS PROGRAM, WHICH I INTEND TO EMPHASIZE, GEARED TO ENSURE THAT SMALL AND SMALL-DISADVANTAGED BUSINESSES RECEIVE THEIR FAIR SHARE OF OUR CONTRACT DOLLARS. LAST YEAR, SMALL BUSINESSES RECEIVED OVER \$26 BILLION IN PRIME CONTRACT AWARDS, WHICH REPRESENTS CLOSE TO 19 PERCENT OF OUR TOTAL AWARDS. BUT SMALL-DISADVANTAGED BUSINESSES ONLY ACCOUNTED FOR \$3.1 BILLION OR 2.3 PERCENT OF OUR TOTAL AWARDS.

RECENTLY, YOU (IN CONGRESS) SET A CHALLENGE FOR US: INCREASE AWARDS TO SMALL-DISADVANTAGED BUSINESSES TO 5 PERCENT OF OUR DOLLARS AUTHORIZED FOR PROCUREMENT; RESEARCH, DEVELOPMENT, TEST, AND EVALUATION; MILITARY CONSTRUCTION; AND OPERATIONS AND MAINTENANCE. THIS REPRESENTS A BASE OF \$148 BILLION, OR A GOAL OF \$7.4 BILLION TO BE AWARDED TO SMALL-DISADVANTAGED BUSINESSES. THE DEPUTY SECRETARY OF DEFENSE HAS ISSUED AN INNOVATIVE SET OF POLICIES AND PROCEDURES; I ISSUED A LETTER (WHICH IS ATTACHED) ON JUNE

25, 1987, EXPRESSING MY FULL SUPPORT AND INTENTIONS; AND WE FULLY EXPECT TO MEET THE 5 PERCENT GOAL, WITHIN THE THREE-YEAR TIME-FRAME ALLOTTED.

AS WE ATTEMPT TO INCREASE OUR AWARDS TO SMALL-DISADVANTAGED BUSINESSES, SO MUST OUR PRIME CONTRACTORS EXCEED THEIR FISCAL YEAR 1986 SUBCONTRACT AWARD RATE OF 1.9 PERCENT. WE ALSO EXPECT OUR PARTNERS IN INDUSTRY TO SET AND ACHIEVE A 5 PERCENT GOAL IN SUBCONTRACTS TO SMALL-DISADVANTAGED BUSINESSES. INCIDENTALLY, WHILE WE MUST USE COMPETITION TO DECREASE COST AND INCREASE QUALITY, WE MUST REMEMBER TO ALWAYS INSURE THAT WE DON'T USE IT TO THE DETRIMENT OF SMALL AND SMALL-DISADVANTAGED BUSINESSES.

IN CONCLUSION, I HAVE OUTLINED TEN STRATEGIES THAT WE WILL PURSUE, IF I AM CONFIRMED, THAT ENCOMPASS THE GOALS OF THE PACKARD COMMISSION; THE INTENT OF SOME OF THE INITIATIVES IN THE "CARLUCCI 32"; CURRENT CONGRESSIONAL CONCERNS; AND OUR OWN EFFORTS AT THE DEPARTMENT OF DEFENSE. IF I AM CONFIRMED, WE WILL CONTINUE TO CONDUCT OUR DAILY BUSINESS AND IMPLEMENT OUR STRATEGIES TO ACHIEVE THE GOALS WE HAVE DISCUSSED.

WITHIN THE NEXT SIX MONTHS, SO THAT YOU WILL BE AWARE OF OUR PROGRESS, WE WILL ISSUE THE FIRST DEFENSE ACQUISITION ANNUAL REPORT THAT WILL ACT AS A SCORECARD AND GUIDE TO OUR IMPLEMENTATION OF ALL THAT I HAVE STATED TODAY. SERIOUS REFORM IS A PRIORITY! WE MUST BE SUCCESSFUL ON, AS THE PACKARD COMMISSION COINED, OUR "QUEST FOR EXCELLENCE."

IT IS A PLEASURE TO HAVE THIS OPPORTUNITY. I LOOK FORWARD TO YOUR QUESTIONS AND CONSULTATION, NOW AND IN THE FUTURE; AND I LOOK FORWARD TO SERVING MY COUNTRY AS THE UNDER SECRETARY OF DEFENSE FOR ACQUISITION, IF YOU SEE FIT TO CONFIRM ME.



THE SECRETARY OF DEFENSE
WASHINGTON THE DISTRICT OF COLUMBIA

5 MAY 1987

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARY OF DEFENSE (ACQUISITION)
UNDER SECRETARY OF DEFENSE (POLICY)
DIRECTOR, PROGRAM ANALYSIS AND EVALUATION
DIRECTOR, DEFENSE LOGISTICS AGENCY

SUBJECT: Manufacturing, Industrial Base, and Competitiveness

The need for manufacturing, productivity, quality, industrial base, and competitiveness improvement is critical to both the Department of Defense and the nation as a whole. These are areas vital in maintaining technological leadership. They are also examples of where defense and national needs converge--actions and commitment by many parties are essential if continued progress is to be made. We in the DoD are prepared to do our share.

In the months ahead, I intend to ensure that these themes permeate DoD activities and decisions. We have efforts under way to articulate better an overall manufacturing and industrial base strategy, and to develop structures and programs supporting this strategy. All of our existing programs are being examined in this light.

I seek your support for these efforts. Dr. Robert B. Costello, Assistant Secretary of Defense for Production and Logistics, is responsible for developing a framework to guide our longer term actions. Your advice and assistance will help maximize DoD contributions to a revitalized, modern, and efficient manufacturing infrastructure so important to the security of this nation.

Supaul K. Kumbinger



ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301-6000

PRODUCTION AND
LOGISTICS
(L/TPQ)

OCT 5 1987

MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY (RESEARCH,
DEVELOPMENT AND ACQUISITION)
ASSISTANT SECRETARY OF THE NAVY (SHIPBUILDING AND
LOGISTICS)
ASSISTANT SECRETARY OF THE AIR FORCE (ACQUISITION)
DIRECTOR, DEFENSE LOGISTICS AGENCY

SUBJECT: Department of Defense (DoD) Total Quality Management
Strategy

Quality has a significant bearing on the cost and field performance of defense systems and equipment. It is an important element of all aspects of the defense acquisition process. We will take an active leadership role in charting a course for emphasizing quality, which is of prime DoD interest as well as of national importance. We applaud current initiatives to develop innovative approaches for achieving quality in all that we make and do. However, much remains to be done. We encourage you to develop and test more good ideas.

To this end, we will integrate all of our efforts related to quality into a coordinated DoD Total Quality Management Strategy. This effort will have as its prime goal the delivery of high quality hardware and software to our soldiers, sailors, airmen, and marines. We can only achieve this through a total cultural change in DoD with respect to attention to, and continuous improvement of, quality. Greater emphasis is needed to integrate effectively key management initiatives and concepts that impact quality. The Total Quality Management Strategy should provide the necessary training and incentives for industry and government personnel to improve the quality and reduce the cost of DoD weapon systems and equipment.

It should be emphasized that the Total Quality Management Strategy will also include efforts to improve the quality of work and products produced by workers whose products are in paper or data form. It is imperative that continuous quality improvement efforts be applied to this important area.

The DoD Quality Council will guide the implementation of this approach. I request your support so that total quality management becomes an integral part of all aspects of our defense system acquisition process.

Robert B. Costello
Assistant Secretary of Defense
(Production & Logistics)



ACQUISITION
(A&L/1)

THE UNDER SECRETARY OF DEFENSE

WASHINGTON, DC 20301

11 MAR 1977

MEMORANDUM FOR THE SECRETARIES OF THE MILITARY DEPARTMENTS
DIRECTOR, DEFENSE LOGISTICS AGENCY

SUBJECT: Procurement Regulatory Reform Test

The DoD acquisition process is controlled by too many detailed, complex laws and regulations. Unnecessary details and complexities in regulations inhibit the initiative of acquisition personnel by limiting their ability to make sound business decisions in the best interests of the government. I want to change the system so there are as few constraints as possible on contracting officers' authority, and to encourage contracting officers to take full advantage of their authority.

To this end, I am establishing a pilot contracting activity program. Relying on the ideas of those who have to deal with the inadequacies and conflicts of the system on a daily basis will provide a rapid, effective means of identifying laws or regulations that are unnecessarily complex or impose undue restrictions on the use of sound business judgment. The goal is to make it easier and quicker for contracting personnel to get line managers and commanders the quality products and services they need, when they need them. The pilot activities should place a strong emphasis on quality and timeliness as well as price to get the best value for the nation. I would also like them to test procurement methods more in line with commercial practices for both commercial and non-commercial products and services.

For these test activities, I hereby delegate my authority for class deviations from the FAR and DFARS to your acquisition executive, with authority to redelegate to the assistant secretary level. He may also waive the provisions of any DOD procurement regulation not specifically required by statute or executive order. The Assistant Secretary of Defense (Acquisition and Logistics), who will oversee the test for me, must be notified of any such deviation or waiver, and the reasons for it, when it is issued. The ASD(A&L) will work with you to develop simple methods for demonstrating the effectiveness of this approach.

I invite you to designate some willing, broadly representative contracting offices to participate in this test as pilot contracting activities. The nominations should be provided to the ASD(A&L) within two weeks.

D. Scam

PILOT CONTRACTING ACTIVITY PROGRAM

Examples of
Approved Deviations

Eliminates the need for a contracting officer to justify exercising a contract option whose use is authorized in the contract. (FAR/DFARS)

Eliminates the need to develop a formal acquisition plan for a foreign military sales purchase when the requesting nation directs that the purchase be made from a specific source. (FAR/DFARS)

Eliminates the need to delay publicizing a solicitation until the local Small/Small Disadvantaged Business representative reviews a contracting officer's decision to dissolve a small business/small purchase set-aside. (The review can be done any time during the solicitation). (FAR/DFARS)

Eliminates the need for a base contracting officer to get major command approval to extend a service contract up to \$1 million when the contract containing the option to do so had been approved by the major command prior to contract award. (Service Supplement)

Allows for the elimination of unnecessary documentation in the contract file when competitive procurement methods other than sealed bidding are used. (FAR/DFARS)

Permits ordering from Federal Supply Schedules line-items of \$1000 or less without documented justification when using criteria other than lowest price (i.e., quality, delivery schedule). (FAR/DFARS)

Allows a contractor to share in the savings generated by Value Engineering Change Proposals that reduce follow-on requirements. (FAR/DFARS)

Increases from \$2,000,000 to \$5,000,000 the threshold for written acquisition plans for contracts resulting from unsolicited proposals and for proposals submitted in response to Program Research and Development Announcements and Broad Agency Announcements. (FAR/DFARS)

Changes the frequency of Blanket Purchase Agreement reviews from semiannual to annual, or more frequently when deemed appropriate. (FAR/DFARS)

Changes the threshold for higher headquarters review of all solicitations from \$250,000 to \$500,000. (Service Supplement)



ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301-4000

PRODUCTION AND
LOGISTICS

June 25, 1987

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
DIRECTORS OF DEFENSE AGENCIES

SUBJECT: Small and Disadvantaged Business Program

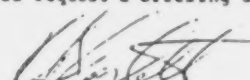
In defense procurement, one of the key elements in mission accomplishment is contributed by our small and small disadvantaged businesses. They enhance our mobilization readiness base and provide quality products and services at fair and reasonable prices.

Recently, Congress set a challenge for us: increase contract awards to small disadvantaged businesses to 5% of outlays authorized for procurement; research, development, test, and evaluation; military construction; and operations and maintenance. This represents a base of \$148 billion, or a goal of \$7.4 billion to be awarded to small disadvantaged businesses. The Deputy Secretary of Defense issued an innovative set of policies and procedures, and we fully expect to meet or exceed that 5% goal within the allotted three-year timeframe.

The Department of Defense has a strong, viable small and small disadvantaged business program, which has my total commitment. The program has the clear support of the Secretary of Defense and the Under Secretary of Defense (Acquisition).

We also expect prime contractors to set and achieve higher goals in subcontracts to small disadvantaged businesses. I know this will be difficult to achieve, but I have seen industry accept and achieve greater challenges.

As I visit installations, I will take a personal interest in the small business program, and will request a briefing on your command's accomplishments.


Robert B. Costello

cc:
Director, Small And
Disadvantaged Business Utilization

Chairman NUNN. Thank you, Dr. Costello, for a very fine statement. You address several of the issues that were on our minds and we will have questions and go into further detail. But we appreciate your opening statements.

We have talked a lot about the authority of the position that you, in all likelihood will be holding in the next few days. We have talked about the relationship between your office and the service secretaries. The word "acquiescence" came into play when Mr. Godwin was here. And the issue came to us as to whether the Under Secretary must obtain the acquiescence of the service Secretaries in order to reach a final decision.

How do you view the relationship between your office and the service Secretaries? First of all, you have already addressed the question of how you buy. But, second, on the question of what you buy, how do you visualize that relationship and how do you intend to address that area of possible conflict?

Dr. COSTELLO. I think that it is important that we look at the overall structure that has already been put in place. We have established a series of Defense Acquisition Board committees that act as commodity managers. One, for example, is a Conventional Systems Committee. If we don't build a broad consensus at that working level, I think it will be hard for the service Secretaries and I to have enough data to make decisions and come to an agreement.

It is clear that the Under Secretary for Acquisition, with regard to acquisition matters, has the authority to demand, direct, and control. But good management principles say that if you use demand, direct, and control exclusively, you don't have a very long tenure. So, I think we have to build a different type of interaction based upon the committee structures, which have a wide variety of technical expertise. Then we have to use the Defense Acquisition Board as a forum for dealing directly with the service acquisition executives.

I have already had meetings with the service acquisition executives on this approach. In fact, yesterday I had a meeting with Secretary Aldridge of the Air Force to openly discuss our approach to how we are going to operate in certain areas. We have already sat down with the service acquisition executives to discuss how we will look at the programs, how we are going to interact, and how we are going to work with the services. The service acquisition executives are going to be part of the decision-making process. They have to be the implementors and executors of acquisition policies and initiatives. So, it is not just me against them. It's a structure in which we are developing integral, interactive participation. I think we have to do it that way.

Chairman NUNN. Suppose the Army, Navy and Air Force all have a program that they each are devoted to, and each one of them is to procure, let's say just hypothetically, a missile. And the missile has a similar mission in your view, and you decide there is too much duplication here, and you don't think that they all three ought to develop that particular missile. What is your authority as you interpret under the law vis-a-vis the Secretaries of the services on that program and vis-a-vis in terms of making a recommendation to the Secretary of Defense?

Dr. COSTELLO. My position at that point would be that we are looking at a case in which there is some duplication. I would ask the Conventional Systems Committee to come to us with a recommendation with any dissenting opinions. After a Defense Acquisition Board meeting, I would then send a recommendation to the Secretary of Defense giving my position and the logic I used in arriving at my position to eliminate that duplication. In this case, I expect there would be a dissenting opinion. The Secretary is the key man who has to make the appropriate allocation of resources.

Chairman NUNN. Do you think that your recommendation to him is one that the services have to appeal? Or do you believe that the services will take their case, and you take yours and you go up on an equal basis? How do you interpret the law on that basis? In other words, is it your recommendation with the services having the right to appeal that or to dissent from that, or do you make a recommendation that goes up on an equal level with the dissenting views?

Dr. COSTELLO. It is my opinion, and I've discussed this with Mr. Carlucci also and I think we are in agreement, that the service has a right to appeal my recommendations. I suggested to the Secretary yesterday that if they came to him with appeals in every case, he should fire everybody and start over. I'm putting my job on the line under those conditions.

Chairman NUNN. Senator Levin.

Senator STENNIS. Mr. Chairman.

Chairman NUNN. I'm sorry. Senator Stennis. I'm sorry. I thought you had slipped out.

Senator STENNIS. No. I'm very glad I stopped here and I was impressed with the gentleman's remarks and the Senator from Virginia's remarks. I must go now to a conference.

I am encouraged greatly by the substance of what this gentleman has said. He has a big job and a hard one. He seems to be highly capable in setting it forth.

If you will excuse me now.

Chairman NUNN. Thank you very much, Senator Stennis. I appreciate your being here, and we will stay in touch with you about this other meeting when we can get it set.

Senator Levin.

Senator LEVIN. Thank you, Mr. Chairman.

First, let me say how much we all welcome you here this morning, Dr. Costello. We know of your talents, your ability to build a consensus, to make good judgments and tough decisions. It is too bad we have to be here this morning at all, it did not work out for Mr. Godwin. I think he was in office for about 1 year. It wasn't totally unpredictable that that would happen. It was a new office given some controversial, new, important powers over some pretty strenuous objections.

But I would hope that you would go back and read some of the legislative history at some point as to the creation of your office because it is important that you know just how much blood was shed so that you would have the power to direct acquisition decisions, not just to establish policies but to direct acquisition decisions. The word "direct" is not casual. It didn't get in there by happenstance. We probably spent as much time on that word as we did

on most other matters, or just about any other matter, that we have taken up in the last few years. So, this committee took seriously the mandate of the Packard Commission and the urgings of the Packard Commission. And after some fairly close votes and some very lengthy and strong debate around here, we gave you the power to direct. And we hope and expect that you will exercise that power.

You rightly point out that if you have to exercise it very often, you are not doing your job. And I think most of us understand that and accept that. But you are not going to be able to do your job if you don't fully understand that authority and accept it and, if necessary, use it. We hope you don't have to use it very often either. But it has got to be there for your use, and you have got to be willing to use it or you are going to get bogged down in consensus building. As important as consensus building is, let me tell you there are going to have to be some tough decisions made by you that are going to make some people unhappy. And that is what we want you to do.

Dr. COSTELLO. I understand.

Senator LEVIN. You say you've had discussions with Secretary Carlucci about this issue?

Dr. COSTELLO. Yes.

Senator LEVIN. I'm interested in your word "recommendation." Can you tell us a little more about that?

I would have thought—I think I may be wrong on this—that I would have used the word that you "decide" and then that decision goes, if necessary, to the Secretary of Defense. It can be appealed. We understand that. Always in this democracy we would want someone to be able to appeal a decision to the final arbiter, which in this case would be the Secretary of Defense. We would also hope there won't be a whole lot of appeals.

But will most of your actions be decisions or recommendations?

Dr. COSTELLO. With an understanding of the precision with which we need to take a look at words and with the care that this committee has taken to direct, or establish, or guide, I think we have to make sure we are not in a situation created by semantics. We will make decisions and basically they can be appealed by the service Secretary.

I have used the term "recommendation." If the Secretary has to get 12 recommendations to make final decision, then the acquisition structure is not working the way the Congress envisions it. So, I think in my terms, I may make a recommendation to the Secretary or we may send a decision to the Secretary. In either case, he makes the decisions based on the information we give him. Maybe I'm backing off too far from the authority of the office of the Under Secretary.

Senator LEVIN. I think in some cases you may be and in some cases you're not. I also don't want to get into a semantic thing here. I think in some cases technically you will be making recommendations. But in other cases I think you will be making decisions and directives which will then be subject to appeal. But, again, if I'm right on that, I would hope that you would see the job as in some cases as making recommendations where the regulations provide for that, but in other cases making decisions—

Dr. COSTELLO. It has to be that way.

Senator LEVIN [continuing]. And where the decisions, of course, are subject to appeal by service Secretaries or by anyone else.

I just have one additional question, and that has to do with the appointment of an assistant to yourself or Deputy Under Secretary. That job apparently is unfilled.

Dr. COSTELLO. That job is unfilled at the present time.

Senator LEVIN. Is it your intention to fill it?

Dr. COSTELLO. The way I enjoy operating, I need to work directly with the senior functional individuals who will be reporting to me. That's the Assistant Secretary for Production and Logistics, the Assistant Secretary for Research and Development, the Assistant Secretary for C³I, and the Assistant Secretary for Research and Technology. I want to work closely with them. And then, as we define their roles and my role, we will be able to better define the need for a principal Deputy Under Secretary with an appropriate span of control. This may not be immediately necessary or even beneficial.

Senator LEVIN. The decision to put in a Deputy Under Secretary was also not taken lightly. That was actually a subject of negotiation inside this committee and with the House, as I remember it. So, the determination of this committee to give you a deputy is not just some slot that we threw in at the last minute.

Dr. COSTELLO. I understand.

Senator LEVIN. And so, I would hope that you would let us know within a couple months as to what your intentions are relative to that. If you don't need one or don't want one, so be it. If that's your own decision, if it doesn't come from OMB or doesn't come from other kinds of pressure—so be it. But we thought in creating this job that you would very much need a deputy, someone responsible and accountable to you and to no other entity. And we would hope that within a month or two at the latest that you would let us know what your intentions are relative to that job.

My time is up. Would you for the record let us know what your reaction is to the recommendations of Mr. Godwin relative to the recommendations that he made for changes in the statute. He sent us a letter. I don't know if you have ever seen a copy of his letter to us. If not, we will get you a copy. And for the record if we could have your own assessment of Mr. Godwin's recommended changes. He didn't give us his reasoning, which is too bad, and I think we should have that reasoning. But in any event, your reaction for the record would be helpful.

Dr. COSTELLO. We will answer you with regard to the principal deputy. I'll also be glad to answer the others for the record.

Senator LEVIN. Thank you. Thank you, Mr. Chairman.

[The information follows:]

I have reviewed the suggestions Mr. Godwin made to you in his letter of October 19, 1987. I do not believe any of the suggestions to amend the statute are necessary to carry out the responsibilities of the Under Secretary of Defense for Acquisition in the manner envisioned by the President and the Congress. The suggestions, if enacted, would limit the flexibility of the Secretary of Defense to carry out his acquisition responsibilities by putting into the law details that are better promulgated through internal DOD regulations and directives or implemented through normal procedures and coordination. I agree with you that the current law, agreed to by the

Congress after a great deal of debate and compromise, is a sufficient framework to define the position and its responsibilities.

Chairman NUNN. Thank you, Senator Levin.

Senator Dixon, I believe you are next.

Senator DIXON. Thank you, Mr. Chairman. Mr. Chairman, I have placed a statement in the record supporting the confirmation of Dr. Costello. I am delighted to have him here this morning.

[The prepared statement of Senator Dixon follows:]

PREPARED STATEMENT BY SENATOR ALAN J. DIXON

Mr. Chairman, today we will consider the nomination of Dr. Costello to be the second Under Secretary of Defense for Acquisition.

Last September I spoke before this committee to express my profound concern at the apparent disregard by the Secretary of Defense and the Deputy Secretary of Defense, for legislation passed during the last Congress establishing the position of Under Secretary of Defense for Acquisition.

When Congress established the position of Under Secretary of Defense for Acquisition, we intended to centralize and streamline the Defense Department's procurement process by removing unnecessary layers of bureaucracy. We gave the Under Secretary responsibility for all procurement policy within the Department, and the authority to approve plans and specifications for all major systems. This authority is to be exercised before any systems are approved for start-up, development or production.

But as we have recently learned, the position of USD(A) apparently has no real, day-to-day authority to direct the services to implement uniform DOD acquisition policy. It must be clear that the Under Secretary's powers are not subject to the whims of the service secretaries. The Under Secretary has statutory authority "to direct the Secretaries of the military departments and heads of all other elements in the Department of Defense on matters which the Under Secretary has any responsibility." (10 U.S.C. 133(b)(4)). Dr. Costello, you do have the "clout" to direct the service Secretaries, and this Senator wants to use it!

Mr. Chairman, I wrote to you on October 6th suggesting that when Dr. Costello's nomination hearing was scheduled, we also require the appearance of the service Secretaries. You indicated to me in a letter that it was your view that we "use the confirmation hearing, along with our recent session with Mr. Godwin and Mr. Taft, to lay the groundwork for a detailed proceeding on the Packard Commission reforms before the Subcommittee on Defense Industry and Technology . . ." I hope this oversight hearing can be scheduled in the near future.

I will support the nomination of Dr. Costello to be the Under Secretary of Defense for Acquisition with the hope that he will be given the authority and the support of Secretary Carlucci. I believe this was badly lacking when Mr. Godwin had the position and I look to Mr. Carlucci and Dr. Costello to remedy the acquisition policies of the Defense Department.

Thank you, Mr. Chairman.

Senator DIXON. Dr. Costello, I just want to review very quickly why we created the role that you are going to assume. The Packard Commission diagnosed the acquisition system as fundamentally ill and concluded chances for meaningful improvement will come not from more regulation but only with major institutional change. The Packard Commission described DOD management as increasingly encumbered and unproductive noting in the absence of a single senior DOD official working full time to provide overall supervision of the acquisition system, policies become fragmented. As a result the services have tended to assume policy responsibilities and exercise them at times without necessary coordination or uniformity. Worse still, the authority for executing acquisition programs and accountability for their results has become vastly diluted. And it was for that reason, of course, in following those reports, that we created the position of Under Secretary of Defense for Acquisition.

Are you satisfied that the legislative language and the statutory authority that we have extended through that language is adequate for you to carry out the mandate of the Packard Commission?

Dr. COSTELLO. In my present job, I have been asked if I have sufficient authority, and my answer was yes.

Having reviewed the role of the Under Secretary for Acquisition and the statutes the Congress promulgated, I feel there is adequate authority in the legislation that exists today to get the job done. Now, we may need some fine-tuning, down the road, perhaps, for example, with regard to something as specific as the principal deputy.

I think the authority is there. I think the care with which this committee, and the Senate, and the House of Representatives reviewed this activity is obvious. We now have to take this resource and implement the legislation in the way you intended. I think the authority is there.

Senator DIXON. I wrote down three words that you employed in your remarks—I like them a lot—"demand, direct and control." You used those exact words in your testimony. I think that it is safe to say that that reflects the attitude of the committee that we believe you do have the authority to demand, direct and control. And we don't think you need the acquiescence of any service Secretary to do what you intend to do. I think that is the feeling of this committee. Now, if some service Secretary wants to appeal your decision to the Secretary, he or she has the right. But we think you have the right to make the decision. I want to make that clear in the presence of my colleagues. I don't think there is any dispute.

Now, I only want to clarify this because none of us have gone forward with any attempt to amend the act, including this Senator who was the sponsor of the original language. And I take into account that former Under Secretary of Defense for Acquisition Dick Godwin has suggested some language improvement. Have you seen that document?

Dr. COSTELLO. I'm not that familiar with it. I think it is perhaps the same as other suggestions I have seen.

Senator DIXON. Well, if I may at least call your attention to the publication inside the Pentagon, volume 3, No. 44, October 30, 1987, I would appreciate your looking at that.

Dr. COSTELLO. Yes.

Senator DIXON. And it sets here on two pages some language that the then Under Secretary of Defense for Acquisition suggests would expressly give you every authority that he encountered as a problem during his short tenure.

You know, I have to say I don't think we need to do all that. I think maybe we would muddy the water. And if some of it didn't pass, we might invite more trouble than we need. But I would like for you to look at that. I would very much appreciate a response from you in connection with that.

And I just want to express, Mr. Chairman, if I may, my profound confidence in you based upon your civilian background and your performance in the business community. And I like your understanding of the fact that we need to have a consensus when we accomplish major things. But I hope and believe that you share the

view of some of us here that have a very fundamentally strong view that there is too much duplication, there is too much competition between the services. And at a time when we are going to have diminished dollars for our national defense—and all of us are living with that every year here—we are going to have to get lean and mean, get more bang for the bucks, and it is going to take a guy like you with a lot of backbone to get the job done.

And I think that I can say with my colleagues here we support you, we back you. And we hope that you will come back here to us individually or as a group if you have problems and you need our support.

Dr. COSTELLO. I appreciate the offer. We will examine Mr. Godwin's recommendation and answer your questions. We want to make sure that we come back and present to you our Annual Report on Acquisition Performance. I think that is a vehicle we can use to measure what we have done, and then identify our concerns for the future.

Senator DIXON. I thank the Chair.

Chairman NUNN. Thank you very much, Senator Dixon. And I concur in your observations about the acquiescence. Certainly the service Secretary is going to have every right to be heard and appeal the decision. But we have got to have a chain of command. Of all places, you have to have it in the Defense Department. The chain of command is a sacred principle in the military. And we can't have a civilian operation in defense where everybody is equal and there are no real differences in authority. So, I agree with your observations.

Senator Shelby, you are next.

Senator SHELBY. Thank you.

Dr. Costello, I would like to take a few minutes. I don't want to take all the committee's time. How are you going to implement the dual sourcing competition? I have looked through some of your testimony but how are you basically going to accomplish dual sourcing?

Dr. COSTELLO. We have already reviewed your concerns on competition. Today, about 60 percent of all procurement dollars are open to competition through multiple sources. We need to review the additional 40 percent in the context of competition in a sole source environment. We have to look at this area economically. There are programs now in which we are looking at dual sourcing very late in the life of a program that involves relatively small production numbers. Often, the cost of tooling and the up-front costs are prohibitive for dual sourcing. But that should not preclude us from having a very competitive cost structure. So, Senator, we are looking at competition in the sole source environment, using the "could-cost" studies approach. I am not sure that 60 percent open competition is adequate. We have to study it.

I am convinced that we must be more aggressive. So I'd like to describe "could-cost." We've done a lot of work in "should-cost" studies. The accountants and engineers do a good job in "should-cost." "Should-cost" is an extrapolation of our experience in past programs applied to a new program so that we can determine, for example, how many people or how much overhead we should have under a specific set of conditions.

I have suggested that each of the services select one major program and do a "could-cost" study.

Senator SHELBY. Let me stop you a second. Has it been shown that in competition that some of the contractors can beat your "should-cost" figures?

Dr. COSTELLO. I think that the competitions we have conducted to date indicate that. However, in weapon systems, in which competition would not be cost-effective because of the up-front tooling costs, we should conduct a "could-cost" study. "Could-cost" determines, if we fundamentally change the way we do our business, and we change the number of audits, and we change all of the activities in the process, and we implement all of the strategies that we need, and maintain the management control, how much could a weapon system cost.

I have talked to industry representatives, and we agree that there are very, very significant cost reductions that are available to us; perhaps even more than those we have demonstrated through competitive costing in conventional dual sourcing. Now, we are going to go out and we are going to prove our point. We are going to come back and tell you about it.

I asked each of the services to select one of their major programs. The Navy has selected the D-5 missile. They are considering this program as a dual-source candidate, but we are also going to apply "could-cost." I met with Secretary Garrett and Secretary Pyatt. We agreed that this is the way we would approach that acquisition.

I have already initiated a program similar to that for the ATB. We think we need to take a new look at how we look at competition and what we can do to drive costs down. We will come back and talk to you in more detail as we put the programs in place and look at the numbers with you.

Senator SHELBY. Thank you. Thank you, Mr. Chairman.

Chairman NUNN. Thank you, Senator Shelby.

This is very, very important. I would like just for the clarity of the record for you to tell us about this new method one more time and how it differs from the present method. I think it is very important.

Dr. COSTELLO. "Could-cost" determines, if I change the way I do business with you, if I eliminate the nonvalue added requirements that are imposed on us by current regulations and I'm stressing regulations what a weapon system could cost. How much nonvalue added work can we identify because of unnecessary regulations that we have imposed, so that we can reduce the nonvalue added work that we have on-going? That includes the quality requirements and specifications we have. It includes everything that we are doing to regulate the acquisition process.

Chairman NUNN. Is this something that can be done at any stage? Is this something that can be done before competition, with competition added later? Or do you apply this concept after a contractor already has a contract and you're negotiating renewals?

Dr. COSTELLO. In my own biased position, I say it can be done at any stage. Bob Helm, the Assistant Secretary (Comptroller), has already said he wants to work with us in this area. So, I think we have a team that is going to aggressively pursue this concept.

Chairman NUNN. You don't see this then as an alternative to competition, but you see it as a supplement or addition to competition.

Dr. COSTELLO. I'll use it your way. I'm going to use every tool I can. I am going to use competition, and I'll also use "could cost" to get the minimum cost possible for us. It is not exclusive of competition, no.

Chairman NUNN. Senator Bingaman is next.

Senator BINGAMAN. Thank you very much, Mr. Chairman.

Dr. Costello, we welcome you. As I am sure you are aware, we support you and wish you well in this new job. It's a difficult job.

Let me ask on the issue of unnecessary regulations. You refer to that in your initial statement and indicate that you plan a review in January—I believe that's what you say—to determine which changes in procurement regulations could be implemented DOD-wide.

Could you tell us anything more about the timetable you anticipate in this internal review of these regulations?

Dr. COSTELLO. We have had a pilot contracting activity program since about June. We selected 33 pilot contracting activities across the gamut of procurement efforts from major systems to MILCON types of contracts. Those 33 organizations now have the opportunity to request relief from any nonstatutory regulation that impedes their progress and their ability to do their jobs. They have generated close to 225 such requests to date.

We are looking at those, and we are going to continue to work with those pilot contracting activities. We think that this is a unique opportunity to go to the field and find out the real world things that are inhibiting our effectiveness. We are using the pilot contracting activity waivers in trials for 6 months or whatever period of time is deemed necessary by the people running that program, and are looking at the results periodically. The first completed trial is going to be in January. We plan on taking those that have been satisfactorily tested and instituting them across a service if it is service-oriented, or DOD-wide if it is DOD-oriented. We are making some real progress.

Senator BINGAMAN. Let me ask about possible legislative changes. As you know in our Subcommittee on Defense Industry and Technology, we have an industry advisory group which is working to develop recommendations for possible changes in the statutes as well as regulations which we will be considering next year.

We had spoken to Mr. Godwin several times about whether DOD would have legislative recommendations for us to consider as well. Obviously, to the extent that you identify legislative changes that need to be made, we are anxious to hear about those in time so we can consider it as part of what we would recommend to the full committee for the defense authorization bill this next year.

I just wonder what you could tell us about your activities or your intentions with regard to possible legislative proposals to deal with problems in procurement.

Dr. COSTELLO. We undertook an aggressive program last spring to look at legislative reform, separately from our regulatory reform effort. We went to the services, through the Deputy Assistant Sec-

retary for Procurement, to gather from each of the services and agencies, DLA in particular, the legislative reforms they thought would be of benefit. We developed a list of 120 recommendations.

We worked aggressively with them under Dick Godwin's guidance. We sat down with Dick, reviewed them in detail, and cut that list down to about 15. We then went to the OFPP and OMB for formal comment. As a result, we cut the list down further. OMB now has a package of 10 proposed legislative changes, 7 of which are unique to the Department of Defense and have been approved by OMB, plus some others that would apply on a government-wide basis. We will pursue those seven which the OMB has approved.

I'll make my own comment. I was surprised that the services chose what I would say were relatively easy, innocuous issues. I think, perhaps, they were testing all of us to see how serious we are about legislative reform. I think that this has to be an ongoing process also.

Senator BINGAMAN. Well, I would just say to the extent that we could have the information on what you would propose this next year at the earliest possible date, that would be very helpful to us in getting reaction to the proposals and hopefully having some hearings that people could come in and testify on.

Dr. COSTELLO. We have been authorized to go forward with the seven. We will be submitting them shortly.

Senator BINGAMAN. OK, we'd appreciate that.

The issue of the service acquisition executive was one which came up in connection with Mr. Godwin's decision to resign. One of the frustrations that he expressed was that he didn't feel that the service acquisition executives, which were appointed by the service Secretaries, were in fact the people that they should have been. He did not feel they were full-time working on those jobs. I think the Secretary of the Navy had appointed himself to that job.

The Packard Commission recommended that the service acquisition executive be appointed in consultation with the Under Secretary of Defense for Acquisition. Is that something that you would expect to happen? What is the status of these positions? Are they now filled, and if so, are they filled with people you think can adequately do this job in addition to their other jobs? Or do you have the opportunity to step in and demand some changes there?

Dr. COSTELLO. They have been filled based upon a mix of different interpretations of what the requirements are. The two that have been filled since I was nominated for this job were filled in consultation with me. The Secretary of the Navy talked to me. The Secretary of the Air Force talked to me. I understood the reasons for their choices. They are different kinds of people. One happens to be a lawyer. One happens to be a businessman. The one I happen to have dealt with, Larry Garrett in this particular case, is very familiar with acquisition matters because of his role as General Counsel in the Department of Defense. I think we need a broad spectrum of people. So, I was pleased to be queried as to the suitability of several individuals. I think this shows that we have a participatory working environment.

Senator BINGAMAN. My time is up, Mr. Chairman.

Chairman NUNN. Thank you, Senator Bingaman. I might add here that Senator Bingaman has, I think, done a very fine job in

getting the new subcommittee we call Defense Industry and Technology going. And we have developed a very good dialogue with defense industry officials, dealing with their frustrations in the procurement process, and learning from them. Senator Bingaman has followed this whole acquisition strategy in the Department of Defense very carefully. So, you will be working a lot with his subcommittee.

Dr. COSTELLO. We have been, and we have invited him to one of our meetings in December because we think the Senator is going to play a very significant role in whatever we do in defining the Defense Department's role with the industrial base. It is, as the Senator knows, I think one of the most important things we can possibly do.

Chairman NUNN. I certainly agree.

Senator Wirth has also been very active in that subcommittee, demonstrating leadership in acquisition matters and semiconductor research, as well as in other important areas. Senator Wirth.

Senator WIRTH. Thank you, Mr. Chairman.

And Mr. Costello, thank you for being here. I want to add my words of support and good wishes and join also with my colleagues in questioning your sanity in taking on this extraordinary responsibility. We are delighted you are here.

Dr. COSTELLO. I'll interrupt. My wife has the same concern you do, sir.

Senator WIRTH. We join with your wife, I am sure, in great admiration for you. I can't think of anybody better to be taking this job on.

I want to touch on three things, just a little more on the discussion that you had with Senator Bingaman on the defense industries and the industry advisory group, and a little bit on the bow wave, and then a little bit on Sematech.

First, on the first issue Senator Bingaman has, as he noted, set up this industry advisory group. And I know you have been familiar with that and have worked very closely with that important new subcommittee. At the last session we had a lengthy and I thought a very productive discussion on the question of the—much of this relates, as you know, to over-regulation and maybe over-amendment from our perspective, and how do we go about cleaning up the underbrush.

One of the issues that came up which I found particularly fascinating as a way of cutting into this was the focus of that group on the cost versus profit balance. They felt that you all and we all have focused much too much on, say, the 10 percent profit side of this on the assumption that somehow defense industries were getting away with something, that they ought to be curtailed and pressured extensively on the profit side.

And while there may be justification for that in various areas, the real change ought to come about and the real goal to be found or the real savings to be found was on a cooperative effort of looking at the cost side. In that area we are talking about 90 percent of the taxpayer dollar that goes into this. And it was their very real concern that we ought to do everything we can together to focus the Department of Defense in its dealing with the industries and to

focus us in our understanding of what legislative impacts might be to focus that more on the cost side of this.

I was wondering if you had been brought up to speed on that, if you had any reactions or response to that as a template for looking at this very complicated issue.

Dr. COSTELLO. We have been looking at it for most of the last year. I think Mr. Carlucci is also very interested in that same issue.

My hero has been Sandy McDonnell who first voiced, "Let's join with the Assistant Secretary of Defense for Production and Logistics on looking at costs rather than profit." Costs are 90 percent of the acquisition costs.

We have also taken an aggressive role using one of the industry groups that we have, the Defense Policy Advisory Committee on Trade, to examine cost. Our international trade depends on our cost structures. We have set up a joint effort with a Defense Policy Advisory Committee on Trade subcommittee to look at those very issues to see what we can do and what incentives we can use. We can change the incentives to focus on costs and more adequately address the sharing of risk. We will address those issues aggressively during the next year.

Senator WIRTH. I raised that as well with Mr. Carlucci at the time of his hearing. And he reflected the same concern that you do. It seems to me that the promise of that area, the potential in that area, is so great and it doesn't come with the political load that the profit side does. You get into profits, and there's all kinds, as you know, posturing that occurs in a variety of places. But we can set that aside and really go after the main target, which is the cost side.

Dr. COSTELLO. That is why we are setting up our "could-cost" studies; and why we have asked each of the services to identify significant programs to review.

Senator WIRTH. Let me touch briefly on the second issue I want to talk about, the bow wave, which we all talk a great deal about. And Mr. Carlucci clearly understands that that problem exists. He is not ignoring it. It is out there. We all know that it is there. What we're going to have to do is to make some very tough decisions, and I think pretty obviously we are going to have to be in the business of canceling some weapon systems. And that is going to have to be done in order to get down to a realistic target for the Defense Department.

What role will you play in that process working with Secretary Carlucci?

Dr. COSTELLO. I think I have a very significant role to play. Affordability happens to be an issue on which he'll have to look to me to resolve. I'm his business resource for providing detailed analysis and the alternatives that we might want to pursue, not only in the Defense Acquisition Board, but in the budgeting process, as well as in the Defense Resources Board. I play a significant role in each of those, and he has already indicated he expects me to do just that.

Senator WIRTH. Well, as you know, this is not going to be done without a good deal of political heat that you're going to feel and that he is going to feel particularly if a lot of the promises that have been made to various States and districts about weapon sys-

tems being started are now going to have to be changed. And that is going to be enormously difficult. The opportunities of doing that, particularly in the last year of an administration where we can perhaps do things without a lot of political cost that might ordinarily be there, are very great indeed.

Dr. COSTELLO. I'm the eternal optimist. I see us being forced to make changes and, as we make those changes, structuring a way to do business differently that will last well beyond our tenure in office.

Senator WIRTH. Finally, could you comment for a moment or two on Sematech, why it is important? And second, what kind of a precedent or what kind of a model that might be for future cooperative endeavors between the Department of Defense, the Government and the private sector?

Dr. COSTELLO. I'm aware that we are both extremely interested in Sematech, and I think for the same reason.

We are not subsidizing industry. That is not your intent nor mine. But we are putting together a consortium of people. We can take the limited resources they have, and I'm looking at money as well as technical resources, and put them together in a matrix that has never before been tried. This group of entrepreneurs, working together, could produce explosive changes in the technologies that we use to produce semiconductors in this country.

We already have a similar role model to follow, and that is in the machine tool industry. They have already set up their group. This is another group of entrepreneurs who decided that the best thing they could do in the United States today is to start putting our best resources together in a unique package so that we can retain or regain, whichever you might want to perceive, world leadership in technology in those very critical areas.

We have a role to play. That role is encouraging and giving some direction to that organization, which is closely studying the process and new manufacturing technologies. We will very closely review the results of their efforts. Any company, that is interested in Sematech and sees a new process being developed in that area and doesn't grab it and run to put it into place in its own company is losing the essence of what I think is Sematech's uniqueness. We have a role to play. We have some specifics that we have asked them to look at for meeting the Defense Department's needs, and we expect to support those needs with funding as the program develops.

Senator WIRTH. Are there other opportunities with this kind of cooperation if we look at material science or electronics or biotechnology?

Dr. COSTELLO. I hope we can use the former programs as role models. We already have another one coming. It deals with focal plane arrays, a very critical issue; and one in which we must develop a leadership role. We had 10 companies. They all wanted part of the action. I said, "We don't have that much money. We can't afford to pay all of you, one at a time. Why don't you five get together and you other five get together?" Their initial responses was, "You're crazy. We won't do that." But I was persistent. They are studying approaches now of teaming together so that we can have two or three major groups of companies with unique technol-

ogies making proposals for the focal plane array program in support of the services' and SDIO's programs.

I think it is a way we can demonstrate unique, effective use of our technologies and limited resources, with the money and the people involved. I am encouraged by it.

I could look also to superconductors. We must start looking carefully and moving rapidly in that area.

Senator WIRTH. Thank you, Dr. Costello. Thank you, Mr. Chairman. Good luck, sir.

Chairman NUNN. Thank you, Senator Wirth.

On the question of the SDI project you just mentioned, it raises a question. What is your relationship to the SDI office in your position? What is your authority regarding that operation?

Dr. COSTELLO. I discussed that with Mr. Carlucci yesterday to make sure that he and I agreed, and we do. I have the same relationship on those programs that I do with the other acquisition programs in the Department of Defense.

Chairman NUNN. There is no difference then.

Dr. COSTELLO. No, sir.

Chairman NUNN. You are responsible for the "how" in terms of the procurements there and also responsible to make recommendations at least on the policy matters?

Dr. COSTELLO. Yes, sir.

Chairman NUNN. Is that something new, or was your predecessor also in that line?

Dr. COSTELLO. That's been clarified recently, but I believe he has always been in that line.

Chairman NUNN. Because my impression is that it was a separate operation that the Acquisition Under Secretary didn't have anything to do with.

Dr. COSTELLO. I think it is an important aspect of the SDI program that I look for a way to bridge the program to the rest of the Department of Defense, and I think it is a unique opportunity for us, the acquisition community, to play a significant role.

Chairman NUNN. Well, I think that is enormously important. I have been very frustrated that SDI has been put over in a corner as if SDI technology is separate and apart from everything else when it seems to me there is going to be a huge spill-over of that SDI technology into probably every facet of the Department of Defense, conventional weapons and otherwise. So, I have never understood the structure of it. I have always been frustrated by it.

You are really saying now that SDI is a separate operation, but it flows through the Under Secretary.

Dr. COSTELLO. Yes, sir.

Chairman NUNN. It is not under any of the services.

Dr. COSTELLO. It is still separate. The services, I think, have to be involved because they are going to be involved downstream. The sooner they are involved, I think, the stronger the program can be with the movement of that technology into other DOD activities as well.

Chairman NUNN. It should be more interrelated to the services themselves, shouldn't it?

Dr. COSTELLO. Yes.

Chairman NUNN. Air Force? Is that where it would be?

Dr. COSTELLO. I don't want to prejudge that.

Chairman NUNN. But you are about to do a major restructuring of the way SDI relates to the rest of the Defense Department is what you are telling us this morning.

Dr. COSTELLO. I am saying we are doing a major restructuring, at least as to how it relates to acquisition.

Chairman NUNN. It sounds like it is going further than that.

I would like to ask one other question along that line regarding the relationship between SDI and DARPA. I have also been frustrated by the lack of clarity in the relationship between DARPA and SDI and the uncertainty as to who is responsible for seeing if there are technologies in SDI that can flow to the conventional or whether there are technologies in the conventional that interrelate with the SDI. I've just never seen how you could isolate a huge R&D effort and separate it from the rest of the Department of Defense.

Do you know how it interrelates to DARPA, or is that part of your reexamination?

Dr. COSTELLO. That's part of our reexamination. DARPA will report directly to me. Clif Duncan, who has been running DARPA, now will be the DDR&E when he is confirmed. Clif and I have already had some detailed discussions in this regard.

Chairman NUNN. So, it is your idea and you think the new Secretary of Defense, when approved, has the idea to take another look at how the SDI operation operates and interrelates to the rest of the Department of Defense.

Dr. COSTELLO. I think he already is looking at that, sir.

Chairman NUNN. Well, I am delighted to hear that. I think it is long overdue. And I think it can make a significant difference in the degree to which we can utilize fully SDI technology. I think that is an enormously important move. And I congratulate you and the new Secretary designee in that respect.

Any other questions? We have completed round one. Senator Levin.

Senator LEVIN. Just a couple questions, Mr. Chairman.

One, both Senator Dixon and I have raised the suggestions which have been made by Mr. Godwin for changes in the law. I surely want to be explicit about one point. By asking you to comment on those recommendations, there is no implication that we think changes are necessary in the law to give you authority because the last thing we want to do is create any suggestion that we've got to get an amendment to that law in order to give you the authority that you need. It was put there after a long battle. The suggestion that you might want to comment on this after you have been in office a few months in no way is meant to imply any ambiguity about our understanding of your full authority to direct that acquisition process. Just to remove that implication, if any, let me just say that.

You've got a lot of support around here, both personally and for your office. And I think everybody here who knows you—and I think we all do—has admired your work. We are determined to make that office that you're going to occupy work, and do feel free to call on us if there is any need to help make it work because we are partners in this with you. And we have got to help you do what

is necessary to finally bring this acquisition process into some kind of a centralized command structure.

Dr. COSTELLO. I appreciate your offer and your comments, Senator.

Chairman NUNN. Any other questions for Dr. Costello? Senator Bingaman.

Senator BINGAMAN. Could I just ask one more, Mr. Chairman?

In your statement on page 16 that you set a goal, your seventh strategy is to reduce by 50 percent the lead time for introducing new technology into our five weapon systems. And first, let me just congratulate you on taking on an ambitious goal. We had a hearing earlier this year where Bobby Inman made the same suggestion and said that we ought to be going from the initiative of a new weapons system to production in 6 years instead of 10 to 20 years. And I guess you are saying that that is something you are explicitly taking on. And Dr. Cliff Duncan is going to be the person who is going to do that for you.

I would be interested in you just elaborating a little bit. I mean, you say in your testimony that we have to go to more concurrence between development and production. That reminds me of DIVAD where we had a lot of concurrence between development and production. Are there other ways that we can get this time period down? And how quickly can you implement the reduction in time that it takes to produce these weapon systems?

Dr. COSTELLO. One of the things we need to do is to spend more time earlier, more resources earlier, to make sure we make the right decisions. Sometimes we make the decisions in series. Perhaps, we could spend more time early, when we start a program, to ensure that we have it well-defined, the goals well-defined, and the anticipated benefits well-defined. Then, as we realize those benefits, we should have programs in place to immediately apply these benefits to other areas.

I will use, as an example, VHSIC. VHSIC is an outstanding technology. I think the Defense Department did a great deal of good work in supporting that technology. But we have now had VHSIC for 7 to 8 years, and we only have VHSIC in one production system today.

What we should have initially done was to identify the specific systems in which VHSIC would be most beneficial in 7 years, and that would provide the greatest leverage. Then when that technology was available, we would already have a system designed or designated to accept this new technology.

It is going to be several more years before we get that important technology in the field. So, I think we have to do parallel or concurrent work with a lot of forethought; a lot of better, detailed planning at the early stages in a program.

Senator BINGAMAN. Mr. Chairman, I have some other questions. I'll just submit them in writing, if I could.

Chairman NUNN. Thank you, Senator Bingaman.

I don't want to rush this, but we wanted to mark up that other bill, and we are about to get a quorum. Are there any other questions? Senator McCain, you haven't had an opportunity. Do you have any questions this morning?

Senator McCAIN. No, I don't, Mr. Chairman. I would like to congratulate the nominee. I have had the opportunity of talking with him, previously, and I extend both my congratulations and my condolences for the responsibilities that he is assuming. I apologize for myself and other Republicans for being late because we had a caucus of the Republican Senators. But I understand that you have answered most of the questions very well, and we all look forward to working with you.

Thank you, Mr. Chairman.

Chairman NUNN. John, we will forgive you for your absence if you will tell us what happened at the caucus. [Laughter.]

Senator EXON. Which caucus? I was at one with him this morning, but not the one you're referring to.

Senator McCAIN. Well, you're always welcome, Jim. [Laughter.]

Senator EXON. Mr. Chairman? If I might just add a word.

Chairman NUNN. The Senator from Nebraska.

Senator EXON. Dr. Costello, I am in strong support of your nomination. We had a very fine visit about it. I think you have the right attitude. You are taking on a most difficult job. You and this committee will not always agree on everything. But I hope that you will be as forthcoming in the future as you have been during the visits that we have had individually and collectively. And Godspeed in your efforts. I can assure you that this committee will be working with you and be as helpful wherever we can. I hope that you will continue to be as forthcoming as you certainly have been during this process.

Dr. COSTELLO. Thank you, Senator. And I'll assure you that I will be as forthcoming and forthright as I have been today.

Chairman NUNN. If there are no other questions, Dr. Costello, we don't anticipate any problem with your confirmation. And we will try to expedite it. We have some more paperwork we have to complete and look at a couple reports. Then I see no reason we can't have a vote on it hopefully in the next day or two in the committee. But we appreciate your being here today.

Dr. COSTELLO. Thank you, sir.

Chairman NUNN. I don't anticipate any difficulties.

[Questions for the hearing record with answers supplied, follow:]

QUESTIONS SUBMITTED BY SENATOR JEFF BINGAMAN

DEFINITION OF "ACQUISITION"

Senator BINGAMAN. Mr. Godwin told us he was uncertain as to the extent of his authority because there was no agreement on the meaning of the term "acquisition." What is your understanding of the meaning of the word "acquisition" insofar as it relates to the powers and duties of the Under Secretary?

Dr. COSTELLO. The word "acquisition" insofar as it relates to the powers and duties of the Under Secretary of Defense for Acquisition is defined in DOD Directive 5134.1 as, "... all matters relating to the acquisition system; research and development; production; logistics; command, control, communications, and intelligence activities related to acquisition; military construction; and procurement."

USD (A) REPORTING CHAIN

Senator BINGAMAN. With respect to acquisition matters, is the Under Secretary subject to the authority, direction, and control of anyone other than the Secretary of Defense—or the Deputy Secretary when acting for the Secretary?

Dr. COSTELLO. No.

DEFENSE RESOURCES BOARD AND ACQUISITION ISSUES

Senator BINGAMAN When an acquisition decision is brought to the Defense Resources Board, does the Under Secretary, as the primary adviser to the Secretary of Defense on acquisition matters, have the responsibility for preparing the final recommendation to the Secretary of Defense?

Dr. COSTELLO. The Defense Resources Board (DRB) is a decision body chaired by either the Secretary of Defense or the Deputy Secretary acting in his stead. The issues brought before the DRB are wide ranging and include personnel, force structure and acquisition concerns. The Under Secretary of Defense for Acquisition (USD(A)) is responsible for presenting recommendations to the DRB on all purely acquisition issues and for presenting his views on other issues that might involve acquisition considerations such as force structure changes. In the latter case, the USD(A) works closely with the other OSD staff principals responsible for presenting the issues to the DRB to assure that the acquisition aspects of an issue are appropriately addressed. The USD(A) has the opportunity to express his views prior to a decision being made.

APPEALING USD(A) DECISIONS

Senator BINGAMAN. When a service Secretary disagrees with the Under Secretary on an acquisition issue, is there a formal process in directive or regulation to ensure that the Under Secretary, as the primary adviser to the Secretary of Defense on acquisition matters, formally review and advise the Secretary prior to the decision?

Dr. COSTELLO. Yes, the process is defined in DOD Directive 5000.49, September 1, 1987, which establishes the Defense Acquisition Board (DAB). This directive requires the Under Secretary of Defense for Acquisition as the Defense Acquisition Executive to chair the DAB and to present his recommendations to the Secretary along with any dissenting views of the DAB members which include the service acquisition executives. The Secretary then can either make a decision or elect to discuss the matter under consideration personally with the USD(A) and the service Secretary involved.

NOMINATION OF COMPONENT HEADS

Senator BINGAMAN. During hearings last March before the Subcommittee on Defense Industry and Technology, we were informed that two positions established in law had not yet been filled within the Under Secretary's organization—the Director of Defense Research and Engineering and Deputy Under Secretary. Since that time, these positions have remained unfilled, while another vacancy has developed in the position of Assistant Secretary for Command, Control, and Communications. If you are confirmed, the position of Assistant Secretary for Production and Logistics will be vacant. The only nomination we have received thus far for any of these positions is that of Mr. Duncan for DDR&E, and we're awaiting completion of his paperwork before we can conduct confirmation positions.

Implementing any changes would seem to be difficult enough for you without having to do so without your senior civilian leadership. Could you please describe for us in some detail what you envision for each of these four positions, and also advise us as to when we are likely to receive nominations from the President?

Dr. COSTELLO. We have already identified two qualified individuals and are processing their paperwork as expeditiously as possible for nominating them for the positions of Assistant Secretary of Defense for Production and Logistics and Assistant Secretary of Defense for Command, Control, Communications, and Intelligence. When their paperwork has been completed, the White House will nominate them to the Congress. Dr. Clif Duncan has already been confirmed as the Director for Defense Research and Engineering.

As I stated during my confirmation hearing, we will determine during the next two or so months whether my operating style necessitates my having a Principal Deputy Under Secretary of Defense. If it does, we will move to nominate one as expeditiously as possible.

IMPLEMENTATION OF THE PACKARD COMMISSION RECOMMENDATIONS

Senator BINGAMAN. On April 2, 1986, the White House issued a press statement on the Packard Commission's report, noting that "The President . . . stresses that the Commission recommendations should provide the basis for structural reform."

Do you see your goal as implementing the Packard Commission recommendations?

Which Packard Commission recommendations have received such a degree of acceptance within DOD that your personal attention is no longer required?

Which Packard Commission recommendations will require your immediate attention to ensure effective implementation?

Dr. COSTELLO. In addition to the President's signing of NSDD 219 to implement the Packard Commission's recommendations, the efforts of Congress were instrumental in making important reforms outlined by the Commission. The Department has taken the appropriate steps mandated by the President and the Congress. My responsibility as USD(A) is to assure that ongoing efforts implementing the Packard Commission acquisition recommendations progress as required.

The implementation of the Packard Commission recommendations as identified in NSDD 219 and the Defense Acquisition Improvement Act of 1987 are reviewed on an ongoing basis. Given further review and the passage of time, those recommendations that require additional and/or increased attention to assure effective implementation will receive my personal attention.

At this point in time, two areas that I have given personal attention, as the ASD(P&L), and that have received a considerable amount of acceptance in DOD are the efforts to enhance the DOD-industry relationship and regulatory reform. Both of these areas have been areas of significant progress but much still needs to be done. These areas and others will continue to receive my personal attention on an ongoing basis to ensure effective implementation.

INDUSTRIAL/COMMERCIAL PRACTICES

Senator BINGAMAN. The Packard Commission has recommended that the DOD acquisition system "emulate the proven practices of most successful industrial companies." Please specify your view of the types of practices DOD should emulate, and describe how you would go about instituting such practices in DOD.

Dr. COSTELLO. We have begun to institute a number of procedures that will improve the acquisition process and promote practices of successful industrial companies. One example is to establish clear, short command channels. DOD Directive 4245.1, signed by Deputy Secretary Taft in July 1986, directs that the organizational arrangements and procedures of the DOD acquisition process be streamlined to the greatest extent possible. The Directive requires the services to establish a Service Acquisition Executive (SAE) and Program Executive Officers (PEO). The Program Manager now reports directly to a PEO, and the PEO reports directly to the SAE on all program matters. The Directive instructs that there be no more than one layer of supervision between the Program Manager and SAE. The services are in the process of establishing streamlined management organizations pursuant to this directive.

DOD is also complying with the provision in P.L. 99-500 to establish Defense Enterprise Programs. The key features of the Enterprise Programs are abbreviated reporting requirements and a dedicated, high quality staff for the Program Manager.

Regarding stability, DOD issued a directive (DODD 5000.45, Baseline of Selected Major Systems) in August 1986. This Directive requires the establishment of a baseline for all major programs in Full Scale Development or Production. The baseline represents an agreement between the essential program participants (PM, PEO, SAE) on cost, schedule and performance matters. Baselines are being established in compliance with P.L. 99-500 and pursuant to the Packard Commission recommendation.

DOD has increased the emphasis on prototyping and testing through DOD Directives 5000.1, 5105.41, and DOD Instruction 5000.2. Directive 5000.1 instructs the Defense Acquisition Board to review the prototyping strategy for each major system at Milestone I. Directive 5105.41 was revised to give the Defense Advanced Research Projects Agency (DARPA) a greater role in prototyping defense systems. This role will primarily involve DARPA in prototype projects that embody technology that might be incorporated in joint Service programs. The early role of DARPA in prototype projects could lead to cost reductions through the setting of performance requirements for new systems and extending the life of existing systems. Directive 5000.2 strongly encourages a competitive prototyping strategy during the development of all major systems. This is consistent with the provision of P.L. 99-500 calling for competitive prototyping for all major programs.

In addition to the efforts related to system acquisition, I am vigorously pursuing other commercial procurement practices to emulate. Our primary emphasis is to reform our own regulations. Action is underway to screen our regulations and field procedures and practices for rules that are not required by statute or are unnecessarily restrictive. We are also screening reform ideas from industry representatives,

customers in the field and various acquisition studies. Approximately one hundred recommendations have been approved and implemented or are in the process of implementation. For example, we changed our procedure for obtaining supplies from optional Federal Supply Schedules and have trimmed 51 days of lead time off some procurements. Several hundred more recommendations are still in review. In addition, contracting officers are being encouraged to use the authority and flexibility they already have to try new methods and make good business decisions.

In the area of legislation, the Under Secretary of Defense for Acquisition submitted a legislative initiative package for improving the acquisition process to the Office of Management and Budget this past August. Efforts are currently in process to reach an agreement with the Office of Management and Budget permitting us to submit the package to Congress.

We have also joined with the Office of Federal Procurement Policy in a legislative effort which has as its objective authorization of the use of commercial-style procurement techniques in the competitive purchasing of commercial items. This legislation would eliminate a host of special requirements that are applicable only to Government acquisitions, establish agency protest forums, and permit us to get the best value when buying competitive commercial products.

STATUS OF THE ACQUISITION INFORMATION SYSTEM

Senator BINGAMAN. Mr. Godwin installed an acquisition information system to provide the Under Secretary with current information on the status of acquisition programs.

a. Could you describe the type of information the system provides and the manner in which it serves the needs of the Under Secretary?

Dr. COSTELLO. The acquisition information system addresses the status of major weapon systems. Program managers of approximately 80 major weapon systems began monthly reporting in early 1987. Reporting was expanded to approximately 100 major weapon systems in June 1987 and has continued at that level.

The monthly reports submitted contain information on program funding, major contracts, cost performance, key program schedule milestones, end item deliveries, and the program manager's assessment of the current program performance status.

This system proved to be marginally effective in meeting the Under Secretary's needs. Accordingly, he instituted an effort to improve the program performance status assessment criteria being used in the report. This effort was recently expanded to address the feasibility of implementing a report that also reduces reporting requirements and satisfies the recent legislative requirement for program baseline deviation reporting on major defense acquisition programs. This ambitious effort is planned to be completed within the next 6 months.

The original acquisition information system proposal also envisioned a monthly reporting system for laboratories, test facilities, depots, arsenals, and military construction. These portions of the overall system have not yet been implemented.

Senator BINGAMAN. b. Has the Under Secretary received the cooperation of the military departments in providing the system with timely information?

Dr. COSTELLO. Yes, the services cooperated and are now providing the required reports on approximately 100 major weapon systems.

ACQUISITION REFORM INITIATIVES

Senator BINGAMAN. In your confirmation hearing, you cited the Model Installation Program as an important initiative. Have any Model Installation initiatives been transformed into DOD-wide acquisition reforms, and if so, do you have any assessment of the effect in terms of either cost-savings or efficiencies?

Dr. COSTELLO. Two major acquisition proposals have been evaluated and implemented throughout the Department. First, when using non-mandatory GSA supply schedules, we have eliminated the requirement to resolicit bids because GSA had already conducted a full scale competition. In January 1987, DOD stopped renewing mandatory supply schedules. This move promotes competition and allows procurement outside GAS where it makes sense. Ending reliance on mandatory schedules does not mandate change, but allows our procurement people to shop for the best buy.

Second, small purchase contracting authority has been granted to technical personnel who have completed standard mandatory training requirements. This cross training increases the flexibility of the existing work force.

No formal study of these initiatives has been undertaken because both are new. But I am convinced that the Department will get more defense for the dollar because of increased competition and a better trained work force.

TOTAL QUALITY MANAGEMENT

Senator BINGAMAN. Last February, I asked you what could be done to improve the relationship between acquisition and logistics in order to provide better planning and budgeting information. You stated that you had started an initiative relative to the cost of quality which would include an examination of cost trade-offs.

Please describe how that initiative has been implemented and give an assessment of its effectiveness.

Dr. COSTELLO. The cost of quality initiative referred to has been designated the DOD Total Quality Management (TQM) Strategy. A key objective of this strategy is to focus on quality much earlier in weapon system acquisition, starting with requirements definition. Acquisition streamlining, an acquisition strategy which encourages cost trade-offs of weapon system performance requirements by user and development personnel during the early stages of design, is an integral part of our TQM strategy. We plan to require program managers to develop a product assurance strategy that uses streamlining, as well as other key initiatives that impact quality.

We are also updating our DOD policy on quality (DOD Directive 4155.1) to change the definition of quality from "conformance to requirements" to "conformance to correctly defined requirements which satisfy user needs". With this redefinition, we will broaden the concept of quality to encompass the key program management actions that influence quality, such as requirement trade-offs, encouraging the application of sound engineering discipline, and implementation of statistical process controls. We are currently revamping our DOD policy on quality, and are finalizing a master plan for implementation of the Total Quality Management Strategy.

PROGRAMS BY CONSENSUS

Senator BINGAMAN. On page one of your testimony, you advocate producing "realistic, highly interoperable programs by consensus."

(a) What are some examples of specific highly interoperable systems that have been produced by consensus during your tenure?

(b) In an era of declining budgets, when it is likely that a number of existing programs will be terminated, and new starts will be disapproved, shouldn't you be prepared to make hard, unpopular decisions rather than hoping for a consensus?

Dr. COSTELLO. (a) My statement regarding consensus indicates how I would like to operate in the future if I am confirmed as the Under Secretary of Defense for Acquisition. The other part of my statement, referring to producing highly interoperable programs, illustrates the renewed emphasis placed on this area in the revised DOD Directive 5000.1, issued September 1, 1987.

(b) As you rightfully point out, the budget environment will require some hard decisions, some of which may be unpopular. If confirmed, I, as a matter of first choice, plan to hear-out everyone. If possible, I will try to develop a consensus regarding how to proceed. If that effort is unfruitful, I am prepared to, and will, make the hard decisions and recommendations needed.

BOLSTERING INDUSTRIAL COMPETITIVENESS

Senator BINGAMAN. Will your strategy provide us with specific goals and timetables for reaching specific levels of competitiveness?

Dr. COSTELLO. The strategy we are developing will provide specific milestones for DOD actions. Since the competitiveness of industry is a function of many influences, including that of management, DOD is not, nor should it be, the sole determinant of the specific levels of competitiveness. DOD's objective is to stimulate a broader concern to enable a more effective national focus on the issue and to contribute to industrial competitiveness.

Senator BINGAMAN. On page 4, you refer to a policy of "cooperative entrepreneurialism". Can you give us an example, using a specific industry, of what this might entail?

Dr. COSTELLO. The best example of cooperative entrepreneurialism that is serving as a model for constructive DOD support of industry is the National Center for Manufacturing Sciences (NCMS). The NCMS is a consortium of American industry, the DOD, and state government formed to stimulate manufacturing innovation for improved international competitiveness. While the NCMS began with an exclusive focus on machine tools, industry has broadened the technical concerns to the manufacturing technology supporting a number of the industries of member companies. The NCMS currently has over 80 industrial companies from throughout the nation

supporting the development of a national research agenda to achieve world class manufacturing capability.

The role of the DOD was to act as the catalyst to enable private sector initiative to converge on a national problem and to determine a private sector solution. The DOD asked the National Academy of Sciences to provide the forum for discussion that enabled an industry consensus to emerge that resulted in the establishment of NCMS. In this case, the DOD facilitated and stimulated private sector action. The promise of the NCMS suggests that this is an appropriate role for the DOD, which can be achieved through cooperative entrepreneurialism.

Senator BINGAMAN. Do you anticipate that any funding requirements or statutory revisions will be required to implement your objectives for an industrial competitiveness strategy?

Dr. COSTELLO. The project is just now developing draft recommendations. Some of the draft recommendations do have funding and legislative implications. However, several reviews must be completed before the final recommendations will be produced. It is probably premature to identify either funding or legislative requirements from the project at this time. We will be prepared to discuss this issue in more depth in the February briefing to Congress.

TOTAL QUALITY MANAGEMENT

Senator BINGAMAN. Your testimony highlights "total quality management" (pp. 5-8) as a major focus of your efforts. As a practical matter, can you give us examples of incentives and management initiatives you have undertaken or plan to undertake to implement this concept throughout the Department, so that is not simply perceived as an exhortation to "do better"?

Dr. COSTELLO. The key objective of the Total Quality Management strategy is to broaden the focus of quality and change the present culture dealing with the acquisition process, contractual requirements, design and manufacturing practices, and fully integrate the modern concept of quality.

The implementation plan includes the following specific actions:

Integration of DOD policies (i.e., Acquisition Streamlining, Competition of Quality, Value Engineering, Warranties, Gain Sharing, etc.) into a coherent approach to be applied to specific acquisition programs.

Make quality a key factor of the source selection criteria.

Revise all product specifications to replace the "Acceptable Quality Level" concept with the "Continuous Quality Improvement" concept.

Guide the radical change from reliance on detecting defects through end item inspection to effective process controls that prevent defects during manufacturing.

Stimulate use of new technology to enhance quality.

Institute an integrated training program to instill quality principles throughout the Government management structure.

Institute a DOD Quality Award to recognize excellence displayed within Government as well as industry.

REPORT ON "COULD COST"

Senator BINGAMAN. In your testimony (12-13), you suggest a new way of improving sole source procurements—a "could cost" system, which is designed to aggressively review overhead and other "non-value added work" by contractors. You note that this system will be tried on an Air Force special access program and the Navy's Trident D-5 missile.

How do you plan to monitor the services' implementation of the "could cost" program?

Dr. COSTELLO. We are working with the services to establish specific objectives for the programs nominated for "could cost" assessments. The services will be responsible for implementing the program and accountable for achieving the results. We'll ask the services to provide status reports on the program and to review program results to determine whether any "could cost" procedures or "lessons-learned" can be applied to other programs.

Senator BINGAMAN. At what point could you provide the Congress with an assessment of its effectiveness with respect to specific programs?

Dr. COSTELLO. Could cost is a fundamental change in the way the Department does business and will require an education process in order to implement it fully. Therefore, I do not want to commit to exact timing of its implementation. However, I think that an initial status report could be provided to you by June 1, 1988.

REGULATORY REFORM

Senator BINGAMAN. Through the "pilot contracting activities" (pp. 13-15), you are in the process of identifying unnecessary regulations for elimination or modification, and you plan a review in January to determine which changes can be implemented on a DOD-wide basis.

Have you established a timetable for implementing such changes in the field?

Dr. COSTELLO. The review of initiatives for possible DOD-wide implementation is not a one-time activity, but will be an ongoing process as pilot contracting activities continue to propose initiatives and submit test results. The time needed to evaluate and implement a particular proposal will depend on its complexity and the possible requirement for public comment. As a result, a specific timetable for effecting such changes cannot be established. Nevertheless, the recommendations will receive priority attention within the Department and will be evaluated on a case-by-case basis.

REDUCING THE LEAD TIME FOR INTRODUCING NEW TECHNOLOGY

Senator BINGAMAN. In your testimony, you cite a "strategy" to reduce by 50 percent the lead time for introducing new technology into our weapons systems. (16-17)

What are your plans and timetable for achieving this goal?

Dr. COSTELLO. Our plan is to encourage the services to incorporate promising new technologies into on-going research and development programs. This means conducting better up-front planning. A good example of the kind of activity we plan to emphasize is the timely integration of Very High Speed Integrated Circuits (VHSIC) into our weapon systems. VHSIC is a technology that could improve the capability of many of our weapon systems. We need to accelerate the pace at which technologies such as VHSIC are incorporated in our weapon systems. We have no fixed timetable for achieving the 50 percent decrease. It will occur on a case-by-case basis.

MODEL CONTRACTOR PROGRAM

Senator BINGAMAN. Please describe how your Model Contractor Program (p. 20) would work in terms of promoting industry self-governance, and comment on the potential for reducing DOD audit and inspection activities.

Dr. COSTELLO. Our program promotes industry self-governance by allowing a number of selected volunteer contractors to develop and test new ideas and approaches regarding self-governance. The approaches that prove beneficial and cost-effective will be considered for DOD-wide application.

We envision that many of the ideas and approaches tested will have potential for allowing DOD to reduce its audit and inspection activities without loss of effectiveness. For example, our office is working with the DOD Inspector General in the development and disclosure by contractors of their own effective systems of audit oversight. If we can verify that their oversight systems are working properly, then DOD can avoid duplication of contractors' internal audit efforts. We believe that the model program provides an excellent vehicle for exploring and developing this potential.

CHINA LAKE CONCEPTS

Senator BINGAMAN. Your testimony discusses a goal of effectiveness of the procurement workforce. Increasing flexibility in the management of the workforce was a major focus of the Packard Commission. The demonstration project at China Lake considerably enhances the management of the acquisition workforce in terms of hiring, promotion, and incentives. What plans does DOD have for promoting use of the China Lake concepts on a broader basis?

Dr. COSTELLO. The demonstration project at China Lake involves primarily scientists and engineers. When the Navy began the experiment seven years ago, that was an area of acute personnel shortages with few recruitment/promotion incentives. But the China Lake demonstration project has proven that there are many benefits to be reaped from a revamped compensation system—an area neglected by the Civil Service Reform Act.

The features of the China Lake project we would like to apply on a DOD-wide basis are: pay-for performance, simplified classification, pay banding, and market sensitivity in critical occupations. These are highly desirable in any proposed Alternative Personnel Management System, and are endorsed by the Packard Commission and the Defense Science Board. We support the Civil Service Simplification Act and are eager to tailor all or any portion of it to our operations. We are willing and anxious to work with Congress to create and test alternative personnel management systems, either department-wide or focusing on certain occupations or installations.

REPORT ON DUPLICATE REVIEWS

Senator BINGAMAN. In your testimony, you note that you expect to receive in January data from a study of duplicative reviews. Will you agree to provide us with an analysis of that study and your program for action?

Dr. COSTELLO. Yes, I will be glad to furnish such a report. I think a status report could be provided on or about March 31, 1988.

NATIONAL DEFENSE STOCKPILE

Senator BINGAMAN. Mr. Costello, what are your views on the NSC stockpile study?

Dr. COSTELLO. Since the NSC analysis focused on the existing materials in the National Defense Stockpile as a starting point and did not include high-technology materials, the upgrades of some of the basic mineral ores held in inventory, or a methodology to meet accelerated military hardware production in the early periods of a national emergency, the NSC study can be considered incomplete. However, follow-up work for future analysis of these areas was directed and is under way at this time.

Senator BINGAMAN. Does the NSC study "not meet national security needs" as you said in July, or are the stockpile goals of the NSC study "more than adequate and protect fully the national security interests of the United States" as you said in September?

Dr. COSTELLO. These two separate statements address two separate issues within the context of the National Defense Stockpile and must be re-connected to the two issues to fully understand their meaning. First, the context in which my statement in July was made is based on the conclusion that the NSC study did not fully meet national security needs since the issues of modernization, upgrades, high technology advances, and accelerated military hardware production during the early periods of crises had not been addressed. These issues are now being covered in our current, on-going, follow-up effort. The latter statement, in September 1987, on the issue of total stockpile goals addressed the estimated total dollar value of what the physical inventory should be. I specifically objected to the \$17 billion goal set by a 1979 study which also addressed only mineral ores and did not address modernization, upgrades, or production surge analysis. I supported the President's goal setting authorities and the need to identify the new materials used in advanced weapon systems that may be candidates for stockpiling.

Senator BINGAMAN. Mr. Costello, did you reverse your position on the merits of the NSC study at the direction of Office of Management and Budget officials?

Dr. COSTELLO. No, my position was not reversed. I received no direction from OMB. As I mentioned earlier, statements from two of my memoranda have been taken out of context: one regarding the NSC study and the second concerning a stockpile total inventory dollar value issue. They are separate issues.

Senator BINGAMAN. Mr. Costello, some have suggested in recent years that management of the National Defense Stockpile should be transferred from Federal Emergency Management Agency (FEMA) to the Department of Defense (DOD).

What are your views on this matter?

Dr. COSTELLO. The DOD has opposed transfer of the National Defense Stockpile to DOD for a number of reasons: (1) DOD does not wish to fund Stockpile operations from the DOD budget; (2) DOD does not seek the responsibility of allocating Stockpile inventory assets to commercial industry during national emergencies; and (3) DOD does not want to absorb from other federal agencies all the salaried personnel who are currently involved with stockpile activities.

ADVANCED TECHNOLOGY BOMBER CLASSIFICATION

Senator BINGAMAN. Our bill this year contains a provision that established a reporting system for special access, or "black" programs. The size of the special access budget and the scope of programs under the special access security blanket has drawn considerable attention this year.

As the Undersecretary for Acquisition, you will control these programs. Can you give us some insight as to how you will provide strong oversight and control in this very important area?

Do you have any thoughts about what mechanism you will use to ensure close cooperation with the Congress for these programs?

Dr. COSTELLO. Under Executive Order 12356, only the Secretary of Defense and the three service Secretaries can approve the creation of special access programs, which provide extra security to particularly sensitive DOD programs and informa-

tion. Security needs, therefore, drive the number and scope of our special access programs.

The recent legislation, as we understand it, primarily concerns the acquisition special access programs, which are my responsibility once they are created. These programs protect the most sensitive technologies, such as low observable technology, as we develop our new weapon systems. Because they limit the size of the staff having access to program information, they do present special challenges for effective oversight and control to the key managers, the senior leadership. To oversee major programs such as ATB, ACM, and ATA, I plan to conduct Defense Acquisition Board Milestone Reviews, using a modified structure that includes the key managers. In addition, these programs will continue to receive regular OSD Program Reviews. To assist me in monitoring the progress of all the acquisition special access programs, a Directorate of Special Programs was created this year and its Director reports directly to me.

The size of the "special access" budget has grown as our protected systems have matured from development toward production. The schedule and budgetary information have been protected to help obscure program pace and magnitude from our adversaries; but we have always provided this information to the defense committees. Our programs are reviewed as they move into new phases to assure that only those program elements that require it continue under special access security. When security requirements permit, funding levels will be removed from special access controls and we will see appropriate reductions in the size of that portion of the budget.

To ensure close cooperation with the Congress, I intend to work closely with the defense oversight committees on our acquisition special access programs. After the first of the year, I plan to meet with the chairmen of the four defense committees and ranking minority members to discuss this activity. We must be partners in preserving and effectively using this system.

STRATEGIC DEFENSE INITIATIVES

Senator BINGAMAN. Late last summer, the Department announced that six major technology areas in the Strategic Defense Initiative had passed Milestone I. Did you participate in the review that resulted in the decision?

Were there any conditions these technologies had to meet as part of the criteria for passing Milestone I?

Are these conditions set out in writing anywhere?

Could we have a copy of the decision memo if the conditions are attached?

Dr. COSTELLO. I participated in the June/July 1987 Defense Acquisition Board Milestone I review of the SDI Phase I program. Progress was judged sufficient for those six elements to proceed with the next phase of the program (i.e., demonstration and validation), even though there were some conditions which we felt still needed to be met. The detailed decision memo which will contain all the conditions for the program to proceed has not yet been signed, but can be made available to you when it is signed.

CONTINUATION OF THE ACQUISITION INFORMATION SYSTEM

Senator BINGAMAN. One of the areas your predecessor seemed to feel quite strongly about was the requirement for frequent reporting by the Services on their acquisition programs. I believe he established a system that would require monthly reports, eventually on a "by exception" basis, for use as a tool in keeping on top of programs. This would give him a means to identify problem areas before they become major problems. Do you intend to keep the system Mr. Godwin set up?

Dr. COSTELLO. Yes, we plan to build upon the acquisition information system by improving major weapon system performance status reporting. In this regard, we are in the midst of a comprehensive effort aimed at better defining the program performance status assessment criteria being used in the report. This review is also addressing the feasibility of implementing an improved report that reduces reporting requirements and satisfies the recent legislative requirement for program baseline deviation reporting on major defense acquisition programs. This effort is planned to be completed within the next 6 months.

Chairman NUNN. At this point we will continue in open session.

[Whereupon, at 11:01 a.m., the committee proceeded to a business meeting.]

[The nomination of Robert B. Costello was reported to the Senate by Senator Sam Nunn on November 19, 1987, with the recommendation that the nomination be confirmed. The nomination was confirmed by the Senate on December 17, 1987.]

NOMINATION OF SAMUEL KENRIC LESSEY, JR., TO BE DIRECTOR OF SELECTIVE SERVICE

TUESDAY, NOVEMBER 24, 1987

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The committee met, pursuant to notice, at 10:04 a.m., in room SR-222, Russell Senate Office Building, Senator John Glenn presiding.

Present: Senators Glenn and Thurmond.

Staff present: Jeffrey H. Smith, general counsel; Patrick A. Tucker, minority counsel; Christine C. Dauth, chief clerk; Ronald P. Kelly, David S. Lyles, and Frederick F.Y. Pang, professional staff members; Pamela G. Powell, staff assistant.

Also present: Jeffrey B. Subko, assistant to Senator Exon; Phillip P. Upschulte, assistant to Senator Glenn; Terrence Lynch, assistant to Senator Shelby; and Samuel J. Routson, assistant to Senator Symms.

OPENING STATEMENT BY SENATOR JOHN GLENN, PRESIDING

Senator GLENN. The hearing will be in order.

The committee meets this morning to consider the nomination of Mr. Samuel K. Lessey, Jr., to be the Director of Selective Service. Mr. Lessey's confirmation hearing originally was scheduled for October 16, but had to be postponed until today. We are sorry it took that long, but this has been a busy time period on Capitol Hill, as you are well aware.

Some people have called the Selective Service System the third tier of our Nation's defense behind our active duty military forces and our Reserve and National Guard component forces. The members of this committee are certainly very well aware of the critical role that the Selective Service System plays in ensuring our Nation's ability to mobilize in the event of a national emergency. If confirmed, Mr. Lessey, you will take over the leadership of a relatively small Federal agency, but one that performs a mission even in peacetime that is very vital to our national security.

Before calling on Mr. Lessey for any opening remarks he may have, I would like to advise the committee that Mr. Lessey has met with the committee staff, has agreed to take all actions that are necessary to comply with the committee's policies and procedures concerning financial disclosures and potential conflicts of interest.

I would also like to note that in the opinion of the committee counsel, Mr. Lessey would not have any conflict of interest if con-

firmed to the position for which he has been nominated by the President.

Mr. Lessey, I doubt that we are going to be able to vote on your nomination today. We originally scheduled this meeting thinking that the Senate would still be in session on Monday and Tuesday before Thanksgiving and be out tomorrow and then the rest of the week, but things changed as of last week. We decided to hold the hearing anyway. And what we will do is we will have the hearing today and ask you questions and make the record here, and then vote as soon as we reconvene I hope early next week. So, we won't be able to vote on your nomination today. I doubt very much that we will be able to get a quorum to do that. So, I hope you understand that.

Senator Thurmond, I would be glad to recognize you for any remarks you wish to make.

Senator THURMOND. Thank you, Mr. Chairman.

Mr. Chairman, it is a pleasure to join you here today for the confirmation hearing for Mr. Lessey. I have reviewed his record and would like to note that he is a retired brigadier general in the Air Force Reserve. He has a distinguished career of service to his country in uniform and as a civilian. He is well-qualified for the position for which President Reagan has nominated him, and I look forward to supporting his nomination.

Thank you Mr. Chairman.

Now, Mr. Chairman, I would also like to ask unanimous consent that a statement by Senator Gordon J. Humphrey of New Hampshire, be placed in the record endorsing Mr. Lessey—

Senator GLENN. It will be included.

Senator THURMOND [continuing]. And also a statement by the Honorable Judd Gregg, a Member of the House from New Hampshire, be placed in the record endorsing the nominee also.

Senator GLENN. It will be included as part of the record.

[The prepared statements of Senator Humphrey and Representative Gregg follow:]

PREPARED STATEMENT OF SENATOR GORDON J. HUMPHREY

Because of a long standing, previous commitment on this day, I am unable to be present for this hearing.

I have known General Lessey for a number of years. When this job at Selective Service became available, I recommended him to the President. I was pleased when he was nominated for the vacancy.

I strongly urge the nomination of Brigadier General S. Kenric Lessey, Jr., of Hancock, New Hampshire to fill this vacancy. His extensive qualifications are well known. With some 40 years of military service, active and reserve, General Lessey has the essential military background and experience, almost a prerequisite for the post. However, he also brings three other distinctive features which set him apart.

First, he has the proven experience of serving both the President and the Congress well during his four years as an Inspector General from 1982-1986.

Second, Selective Service is a national preparedness and planning function. General Lessey brings unique applicable experience, both as the former mobilization assistant to the Director of the Federal Emergency Management Agency, and for his management implementation team project to improve the readiness and mission responsiveness of the Air Force Reserve.

Third, his law and business degrees from Harvard University not only provide him directly applicable educational and professional background, but also with the insight to the formation of young adult viewpoints.

I am proud and pleased to support this nomination. This is a case where I see a perfect fit between the candidate and the job.

I hope the committee will approve this nomination and recommend his confirmation to the full Senate.

PREPARED STATEMENT OF HON. JUDD GREGG

Mr. Chairman, I am pleased to offer my support for the nomination of Gen. Samuel Kenric Lessey, Jr. to serve as Director of the Selective Service System. I have had the good fortune to know Gen. Lessey both as a neighbor from Hancock, New Hampshire and, professionally, from his service as Assistant to the Director of the Federal Emergency Management Agency and, later, as Inspector General of the U.S. Synthetic Fuels Corporation. I have always found him to be an upstanding citizen and a dedicated public servant.

Gen. Lessey has a special blend of talents, knowledge and experience which make him particularly well suited to direct our nation's Selective Service System. From his distinguished military service he has gained a broad appreciation of the importance of maintaining a pool of personnel having appropriate physical and intellectual qualifications to be called upon if needed to defend our country. From his successful career with Shearson, Hammil & Company and the National Aviation Corporation he has developed a managerial style and an appreciation of the needs of the business community which are so intimately intertwined with our national defense needs in times of stress. From his academic background at West Point, Harvard Law School and Harvard Business School he has a thorough understanding of the legal and economic ramifications of actions which may be required by the Federal Government in the event of a national emergency.

Given his record of dedication and the level of enthusiasm that he has demonstrated, I have no doubt that Gen. Lessey will serve this country well, in yet another important position. Clearly, Gen. Lessey is a patriotic leader who should make a fine Director of the Selective Service System.

[The nomination reference of Samuel K. Lessey, Jr. follows:]

NOMINATION REFERENCE

AS IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
May 29, 1987.

Ordered, that the following nomination be referred to the Committee on Armed Services:

Samuel K. Lessey, Jr., of New Hampshire, to be Director of Selective Service, vice Thomas K. Turnage.

[The biographical sketch of Samuel K. Lessey, Jr., which was transmitted to the committee at the time the nomination was referred follows:]

BIOGRAPHICAL SKETCH OF SAMUEL KENRIC LESSEY, JR.

Education: Horace Greeley School, Chappaqua, New York, 1940; Millard Preparatory School, Washington, D.C., 1941; B.S., U.S. Military Academy, West Point, New York, 1945; L.L.B., Harvard Law School, Cambridge, Massachusetts, 1951; M.B.A., Harvard Business School, Boston, Massachusetts, 1956.

Employment: 1982-Present: Inspector General of the U.S. Synthetic Fuels Corporation (Presidential appointment).

1979-1982: Mobilization Assistant to the Director of the Federal Emergency Management Agency.

1976-1978: For the Chief of Air Force Reserve, conducted a Management Implementation Team, charged with determining and implementing an optimum management structure for the entire Air Force Reserve. Directed a most comprehensive and successful management headquarters reorganization, improving Reserve readiness and mission effectiveness while utilizing ten percent fewer resources. Awarded the Legion of Merit. Promoted to Brigadier General.

1974-1975: Attended the Air War College, Air University, Maxwell Air Force Base, Alabama. Graduated as a Distinguished Graduate.

1968-1974: Vice President of Shearson, Hammill & Co., one of the ten largest investment banking and brokerage firms in the U.S.A.

1957-1968: Vice President and Director of the National Aviation Corporation, a closed-end investment company specializing since 1928 in aerospace and airline securities.

Other Government Service: 1973: Appointed Consultant to the Department of Defense as a member of the National Committee for Employer Support of the Guard and Reserve.

1970: Appointed by Chairman Secor D. Browne to serve on the Civil Aeronautics Board Advisory Committee on Finance.

Military: Brigadier General, United States Air Force Reserve (retired). Pilot: 3500 hours, single and multi-engine, land and sea, piston and jet. Background and practical understanding of aircraft engineering.

Served with the Ninth Air Force, the European Air Material Command, the Pacific Division of Military Air Transport Service, and as a law instructor on the staff and faculty of the U.S. Naval Academy. Twelve years of active duty.

Admitted to practice before: Federal District Court and Federal Court of Appeals, United States Supreme Court, Court of Claims, Court of Military Appeals, Tax Court, Treasury Department, Federal Communications Commission, Interstate Commerce Commission, General Accounting Office, Immigration and Naturalization Service, and the New York State Bar.

Specific experience: At Shearson-Hamill, held principal responsibility for analyzing the activities of the airline and aerospace industries from both a corporate finance and an investment point of view. Also covered institutional accounts, performed institutional liaison work, and other investment banking activities.

At National Aviation, a regulated management closed-end investment company with 15,000 stockholders and its common stock listed on the New York Stock Exchange, conducted and participated in all activities of the Corporation; portfolio management, industry and security analysis, administration, legal and financial matters, and public relations during the period from 1957 to 1968 when: (1) The Corporation's assets grew from \$17 million to \$131 million, (2) the stockholders were paid approximately \$70 million in dividends averaging about a 15% annual return on their investment, (3) the Corporation's asset growth performance was among the highest in the investment company industry. Also carried out the Corporation's move to invest in peripheral companies in the aerospace business, introducing 20 new venture companies which produced \$12.5 million in capital gains without any losses.

Organizations: Aerospace Analysts Society; Air Force Association, Iron Gate Chapter; American Astronautical Society; American Defense Preparedness Association; American Fighter Pilots Association; American Helicopter Society; American Institute of Aeronautics and Astronautics; American Legion Aviation Post #501; Association of the United States Army; Aviation/Space Writers Association; Electrical and Electronics Analysts Group; Financial Analysts Federation; Institute of Electrical and Electronic Engineers; Military Order of the World Wars; New York Society of Security Analysts; Reserve Officers Association; and Retired Officers Association.

Clubs: Capitol Hill Club, New York Athletic Club; Harvard Club, Wall Street Club; National Aviation Club, Wings Club.

Personal: Born in Newark, New Jersey. Raised in Chappaqua, Westchester County, NY. Lived in Buckingham, Bucks County, Pennsylvania until nineteen-sixties. Sports: skiing, badminton, tennis, squash, swimming.

[The Committee on Armed Services requires all individuals nominated from civilian life by the President to positions requiring the advice and consent of the Senate, and certain senior military officers as determined by the committee, to complete a form that details the biographical, financial and other information of the nominee. The form executed by Samuel K. Lessey, Jr. in connection with his nomination follows:]

UNITED STATES SENATE
COMMITTEE ON ARMED SERVICES

Room SR-222

Washington, DC 20510-6050

(202) 224-3871

COMMITTEE ON ARMED SERVICES FORM

BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF
NOMINEES

INSTRUCTIONS TO THE NOMINEE: Complete all requested information. If more space is needed, use an additional sheet and cite the part of the form and the question number (i.e. A-9, B-4) to which the continuation of your answer applies.

PART A—BIOGRAPHICAL INFORMATION

INSTRUCTIONS TO THE NOMINEE: Biographical information furnished in this part of the form will be made available in committee offices for public inspection prior to the hearing and will also be published in any hearing record as well as made available to the public.

1. **Name:** (Include any former names used.)

Samuel Kenric Lessey, Jr.

2. **Position to which nominated:**

Director of Selective Service.

3. **Date of nomination:**

May 26, 1987.

4. **Address:** (List current place of residence and office addresses.)

[NOTE.—Nominee responded and the information is contained in the committee's executive files.]

5. **Date and place of birth:**

October 9, 1923; Newark, New Jersey, U.S.A.

6. **Marital Status:** (Include maiden name of wife or husband's name.)

Single.

7. **Names and ages of children:**

None.

8. **Education:** List secondary and higher education institutions, dates attended, degree received and date degree granted.

Horace Greeley School, 1931-1941, Regents & Post. Grad., 1940 & 1941.

Millard Preparatory School, 1941-1942.

U.S. Military Academy, 1942-1945, B.S., 1945.

Vanderbilt University, 1945-1945.

Harvard Law School, 1948-1951, L.L.B., 1951.

University of Maryland, 1951-1953, MA credits completed.

George Washington, Univ. Law, 1951-1952, Graduate courses.

Harvard Business School, 1954-1956, M.B.A., 1956.

9. **Employment record:** List all jobs held since college or in the last 10 years, whichever is less, including the title or description of job, name of employer, location of work, and dates of employment.

Private Investor, self, Hancock, New Hampshire, 1977-1981(4Q).

Consultant, U.S. Synthetic Fuels Corporation, Washington, DC, 198 (4Q)-1982(2Q).

Inspector General, U.S. Synthetic Fuels Corporation, Washington, DC, May 1982-April 1986.

Private Investor, self, Hancock, New Hampshire, April 1986-present.

Also: U.S. Air Force Reserve Officer, 1977 to October 1983.

10. **Government experience:** List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above.

1970: Appointed by Chairman Secor D. Browne to serve on the Civil Aeronautics Board Advisory Committee on Finance.

1973: Appointed Consultant to the Department of Defense as a member of the National Committee for Employer Support of the Guard and Reserve.

1980-81: Served on the Presidential Transition Team for: (1) Civil Aeronautics Board; (2) Federal Emergency Management Agency.

11. **Business relationships:** List all positions currently held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution.

None, except for my ownership of limited partnerships which are listed on the Standard Form 278.

12. **Memberships:** List all memberships and offices currently held in professional, fraternal, scholarly, civic, business, charitable and other organizations.

Aerospace Analysts of New York, past president.

Air Force Association, past vice president, Iron Gate.

American Astronautical Society.

American Defense Preparedness Association.

American Fighter Pilots Association.

American Helicopter Society.

American Institute of Aeronautics and Astronautics.

Association of the United States Army.

Aviation Space Writers Association.

Defense Orientation Conference Association.

Electrical and Electronic Analysts Group, committee.

Financial Analysts Federation.

New York Society of Security Analysts, committee.

Institute of Electrical and Electronic Engineers.

Military Order of the World Wars.

Reserve Officers Association.

Wings Club, past director.

National Aviation Club.

New York Athletic Club.

Wall Street Club.

West Point Society of New York.

Harvard Club of New York.

Capitol Hill Club.

13. **Political affiliations and activities:**

(a) List all offices with a political party which you have held or any public office for which you have been a candidate.

Office: Elected delegate to New Hampshire Republican State Convention in 1980. Served Republican National Conventions as follows:

1956—Assistant Doorkeeper.

1960—Assistant Sergeant-at-Arms.

1964—Assistant Sergeant-at-Arms.

1968—Assistant Sergeant-at-Arms and Officer of the Convention.

1972—Assistant Sergeant-at-Arms and Officer of the Convention.

1976—Assistant Sergeant-at-Arms and Officer of the Convention.

1980—Assistant Sergeant-at-Arms and Officer of the Convention.

(b) List all members and offices held in and services rendered to all political parties or election committees during the last 5 years.

None.

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$100 or more for the past 5 years.

Rudman for Senate Committee, \$650, 1986.

Judd Gregg Committee, \$100, 1986.

New Hampshire Republican State Committee, \$100, 1984.

Granite Staters for the Re-election of Judd Gregg, \$100, 1984.

Richard E. Amidon-State Senate, \$100, 1982.

Maryland Republican Party, \$250, 1983.

14. **Honors and Awards:** List all scholarships, fellowships, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements.

Gerard Swope Essay Contest, New York State, 1940.

American Legion Boys State, New York State, 1940.

U.S. Olympic Soccer Squad (until injury) 1948.

Air War College, Distinguished Graduate, Commandant's Award Runner-Up.

Legion of Merit, with Oak Leaf Cluster.

Air Force Outstanding Unit Award.

World War II Victory Medal.
Occupation Medal.
National Defense Service Medal.
Korean Service Medal.
American Campaign Medal.
Air Force Reserve Medal.
Air Force Longevity Service Award.
United Nations Service Medal.

15. **Published writings:** List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.

Gerard Swope Essay on "Chappaqua", New York State, 1940.

An article in SKI Illustrated magazine on "Skiing at West Point" in 1945.

16. **Speeches:** Provide the committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated.

None.

17. **Selection:**

(a) Do you know why you were chosen for this nomination by the President?

Not precisely, but I assume my educational background and management skills gave the President confidence in my ability to do a top flight job.

(b) What do you believe in your background or employment experience affirmatively qualifies you for this particular appointment?

(1) My familiarity with management of the nation's mobilization issues based on my conduct of the management reorganization of the Air Force Reserve under the Chief of the Air Force Reserve, and my experience as Mobilization Assistant to the Director of the Federal Emergency Management Agency. (2) My general background of 41 years of military service, including both Regular and Reserve duty, and familiarity with the Department of Defense organizational structure and personnel with whom the Director must work. (3) My Washington service of four years as an Inspector General. (4) My educational background, and the perspective acquired in five years of graduate study at Harvard.

18. **Commitment to testify before Senate committees:** Do you agree, if confirmed, to respond to requests to appear and testify before any duly constituted committee of the Senate?

Yes.

COMMITTEE ON ARMED SERVICES FORM

FINANCIAL AND OTHER INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Information furnished in Parts B through F will be retained in the committee's executive files and will not be made available to the public unless specifically directed by the committee.

Name: Samuel Kenric Lessey, Jr.

PART B—FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all business connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Has anybody made a commitment to employ your services in any capacity after you have government service?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Is your spouse employed and, if so, where?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. If confirmed, do you expect to serve out your full term or until the Presidential election, whichever is applicable?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART C—POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients or customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.)

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Do you agree to provide to the committee any written opinions provided by the General Counsel of the agency to which you are nominated and by the Attorney General's office concerning potential conflicts of interest or any legal impediments to your serving in this position?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART D—LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Have you ever been investigated, arrested, charged or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county or municipal law, regulation or ordinance, other than a minor traffic offense? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Have you or any business of which you are or were an officer ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you ever been convicted (including a plea of guilty of nolo contendere) of any criminal violation other than a minor traffic offense?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Please advise the committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART E—FOREIGN AFFILIATIONS

1. Have you or your spouse ever represented in any capacity (e.g., employee, attorney, business, or political adviser or consultant), with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. If you or your spouse has ever been formally associated with a law, accounting, public relations firm or other service organization, have any of you or your spouse's associates represented, in any capacity, with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. During the past 10 years have you or your spouse received any compensation from, or been involved in any financial or business transactions with, a foreign government or an entity controlled by a foreign government? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you or your spouse ever registered under the Foreign Agents Registration Act? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART F—FINANCIAL DATA

All information requested under this heading must be provided for yourself, your spouse, and your dependents.

1. Describe the terms of any beneficial trust or blind trust of which you, your spouse, or your dependents may be a beneficiary. In the case of a blind trust, provide the name of the trustee(s) and a copy of the trust agreement.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Provide a description of any fiduciary responsibility or power of attorney which you hold for or on behalf of any other person.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, executory contracts and other future benefits which you expect to derive from current or previous business relationships, professional services and firm memberships, employees, clients and customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you filed a Federal income tax return for each of the past 10 years? If not, please explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Have your taxes always been paid on time?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Were all your taxes, Federal, State, and local, current (filed and paid) as of the date of your nomination?

[Note: Nominee responded and the information is contained in the committee's executive files.]

7. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

[Note: Nominee responded and the information is contained in the committee's executive files.]

8. Have any tax liens, either Federal, State, or local, been filed against you or against any real property or personal property which you own either individually, jointly, or in partnership?

[Note: Nominee responded and the information is contained in the committee's executive files.]

(The committee may require that copies of your Federal income tax returns be provided to the committee. These documents will be made available only to Senators and the staff designated by the chairman. They will not be available for public inspection.)

SIGNATURE AND DATE

I hereby state that I have read and signed the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

SAMUEL KENRIC LESSEY, JR.

This 8th day of June, 1987.

STATEMENT OF SAMUEL KENRIC LESSEY, JR.

Mr. LESSEY. First, I would like to express my gratitude, Mr. Chairman, to you and Senator Thurmond for delaying your Thanksgiving holiday to keep this hearing on schedule.

Mr. Chairman, I am honored to have been nominated by the President to be Director of Selective Service, and I thank the distinguished members of this committee for the opportunity to be here today as you consider my nomination.

In brief, I am deeply committed to the vigorous and fair administration of the Military Selective Service Act in accord with applicable statutory and constitutional law. Continued improvement in registration procedures and possible increases in registration will receive my immediate attention without detracting, of course, from the fundamental planning and preparation for the processing of registrants toward induction should it ever be necessary for the Congress to authorize and the President to direct the resumption of inductions.

In carrying out these responsibilities, I also am personally committed to the husbanding of public moneys in seeking to bring further economy and efficiency to the administration of the Selective Service System.

It will be my desire to work very closely with the members of this committee to improve the effectiveness of Selective Service in carrying out its important statutory mission so vital to our Nation's security.

I shall be happy to respond to any questions which the members of this committee may have at this time.

RELEVANT EXPERIENCE OF NOMINEE

Senator GLENN. Mr. Lessey, in connection with your past Government service, how much exposure to the Selective Service System have you had? How much work with them have you done in your previous military and civilian government service? You have had extensive government and military service in the past. Have you had any close working relationship with Selective Service in those positions?

Mr. LESSEY. Yes, Mr. Chairman. I suppose "close" is a word subject to interpretation, but I have been very active in the management of the Air Force Reserve and its reorganization. That is one of the recent occasions when I became familiar with some of the inner workings of the Selective Service.

I have also been somewhat of a student of the organization through the years. I would say in a nostalgic sense my first exposure is when I happened to meet General Hershey when I was a very young man. I have also had friends such as Dr. Curtis Tarr who held this position previously and whose career I did follow.

My other rather current activity in the mobilization planning and readiness area would be my experience as mobilization assistant to the Director of the Federal Emergency Management Agency.

Senator GLENN. Continuing on the same tack, could you outline what your duties were or what were your duties in your position as mobilization assistant to the Director of the Federal Emergency Agency?

Mr. LESSEY. Let me highlight two areas which are probably the most important. One is that I participated and was closely involved with the planning and the execution of the first classified joint civilian-military mobilization exercises.

The other activity which I would highlight is my work as mobilization assistant not long after FEMA had been organized, which was a consolidation of five other government entities, as you know. I particularly had a responsibility for what had been known as the mobilization designee program when this responsibility was shifting from the Department of Defense over to the Federal Emergency Management Agency. That involved a lot of reorganization and planning and coordination in terms of where the linkages were going to be in the new organization. I think those two were probably the highlights which I would mention.

READINESS OF SELECTIVE SERVICE

Senator GLENN. I know you are not actually on the job yet, but do you have a feel for how ready our Selective Service is to be put into operation now if we needed it?

Mr. LESSEY. By all reports, Senator Glenn—and these are reports which, of course, have been presented to the Congress and to this committee and to the public—the Selective Service stands in a very high state of readiness, and it is prepared to carry out its mission. I, of course, will be interested in looking at it from the inside. Probably my initial impact will be one of trying to fine tune the operation and see if we can improve it.

Senator GLENN. What would your objective be to deliver the first inductees if we had a mobilization call go out? What's the target?

Mr. LESSEY. Senator, I am sorry. I did not hear the first part of your question.

Senator GLENN. What would be the target for the first inductees, let's say, the first thousand or so to be brought into the pipeline and report for duty? What's the target on what time that would take?

Mr. LESSEY. The target on the first inductees I believe, is 13 days; and, of course, the 30-day goal is 100,000.

Senator GLENN. That's 100,000 in 30 days? Then what? Does it ramp up from there?

Mr. LESSEY. Yes, sir.

Senator GLENN. What does it come up to? How many potential are there in the pool right now? Do you know?

Mr. LESSEY. I believe there are about 15 million, sir—14 million to 15 million.

COMPLIANCE

Senator GLENN. What is our compliance rate running on registration? It's what—96, 97 percent?

Mr. LESSEY. It is in that area. That's looking generally speaking at the pool as a whole. If you examine different age categories, I think there is some variation on that. I think the initial registration is a figure significantly lower than that, but by the time you get to the primary draft age of 20, you are up to a high number.

Senator GLENN. Are you satisfied with that compliance rate?

Mr. LESSEY. I'm like you, sir. From our earlier discussion, I am somewhat of a perfectionist. You are not on the team if you relax and think anything is already completed or perfect. It would be one of my goals, and I think it is already the goal of the people in the Selective Service System, to put further emphasis on constantly trying to improve those numbers.

Senator GLENN. We don't like to think that there are 3 or 4 percent, in effect, shirking their duty as we see it. Do you have any ideas of how you increase that compliance rate?

Mr. LESSEY. Well, I think one of the important areas, is a program already in existence at Selective Service, the public awareness program.

Among the 18 and 19 year olds, there is a group of people who simply do not become aware of the requirement until it catches up with them at some point. I think I wouldn't want to use the categorization of shirkers in an all-inclusive sense in that I think there definitely are some categories of people who need to be made aware of their responsibility.

Senator GLENN. Do you think that is the main problem as opposed to those that are just trying to get away with something?

Mr. LESSEY. It would be premature for me to comment on that, Senator. Let me take a closer look when I'm aboard, if I may.

HEALTH CARE PERSONNEL SHORTAGE

Senator GLENN. Mr. Lessey, you know from our private conversation yesterday of my deep concern about some of the shortages that we have in the military where we have got certain jobs assigned to the Reserve components, particularly in the medical field. And they are what I've termed in this committee as near war stoppers in the nature of their shortages if we ever had to go into combat.

Now, Congress enacted legislation this year authorizing Selective Service to design and develop a standby system to prepare for the post-mobilization, registration and classification of health care professionals. We have a shortage in the military right now of something like 35,000 nurses, and I think it is 17,500 doctors. And we are not doing very well. Some 70 percent of our medical services

are going to come out of the Reserve. And yet, in some of those specialty areas, we find as much as 65 or 70 percent shortages of that 70 percent that comes from the Reserve, if you follow that setup there.

Mr. LESSEY. Absolutely.

Senator GLENN. Do you have any thoughts on that and what we can do about it? And this will be my last question on this round. My time is expired.

Mr. LESSEY. Well, it will be, of course, my intention and desire to work closely with this committee and the other committees in Congress in carrying out this provision which is contained in the Defense Authorization bill. There is, of course, at the Selective Service System already the anticipation of carrying out this plan for the possible future registration of health care personnel.

I am fully aware of the problem you raise which, in certain areas such as nursing care, is even a national problem in the private sector. I will, of course, be seeking the appropriate briefings from the Department of Defense regarding the shortages which you have just highlighted in your question.

Senator GLENN. We ran into this about 1½ or almost 2 years ago now in the subcommittee that I chair, the Manpower Subcommittee. And it came as rather a shocker to me that we were this short in some of those areas. So, that's one we want to work very closely with you on.

Senator Thurmond.

SOLOMON AND THURMOND AMENDMENTS

Senator THURMOND. Thank you, Mr. Chairman.

Mr. Lessey, how successful is the existing registration system, and are the enforcing mechanisms such as the Solomon amendment and the Thurmond amendments sufficient to ensure satisfactory compliance with registration requirements?

Mr. LESSEY. The Solomon and Thurmond amendments, of course, have been extremely useful, Senator. To go back to one of my earlier answers, I think the high percentage of registration is something of which the Selective Service System deserves to be proud. I think they have done a good job. But the efforts which the Congress has made with those amendments have truly been very, very helpful. As I said before, I think we need to keep plugging away, fine-tuning, and working to keep those numbers up where they are and maybe improve them somewhat.

I will, of course, look for possible new initiatives and work with the Congress in that area if we see any particular spots which might be assisted by some other form of amendment.

Senator THURMOND. General Lessey, are there any changes in the law which you believe are needed at this time to ensure the success of the Selective Service System in the event of full mobilization?

Mr. LESSEY. I think, Senator, in all due respect, it is probably premature for me to be talking in terms of recommendations on legislation before I have joined the service and have had a real chance to look at things closely.

Senator THURMOND. Mr. Chairman, I think that's all the questions I have.

I wish you success in your new assignment. I am sure you will do a fine job.

Mr. LESSEY. Well, thank you very much, sir.

MOBILIZATION OF HEALTH CARE PERSONNEL

Senator GLENN. Thank you, Senator Thurmond.

On the Selective Service plan efforts to develop a plan on the mobilization of health care specialists, what kind of a timeframe would you put on the development of that plan?

Mr. LESSEY. I am not sure what is in the existing scheme of things, but my understanding is it probably would be—what I've heard is 2 years. I may be mistaken on that. That sounds a little too long for me. I'd like to see if we can speed things up.

Senator GLENN. I would like to speed it up beyond that also. I would hope we could shorten it up considerably on that.

Mr. LESSEY. Frankly, sir, there is an element of vagueness. I like your use of the term "plan of a plan." I want to be able to get my handle on that. I'd like to get some answers there.

Senator GLENN. Well, it is an area that has concerned me very much because, as I said, we looked at it on the Manpower and Personnel Subcommittee. The further we went into it, the more vexing and intractable the problem became. We just didn't come up with any good solutions. And we have given some incentive pay and some things like that to try and get more medical people in, but in the medical profession, particularly for surgeons and specialties like that, another \$1,500 a year incentive or so on doesn't make that much difference. And so, I think we need some real new approaches to this if we are to get those people in.

It's a critical matter. And it would be even more critical if we went into a mobilization situation where we need more of those people than we need now. We're short enough now. So, we will look forward to working with you on that plan.

And I don't know how closely you work with the Secretary of Defense on this. Do you have a feel for that yet as to how closely you work and let them help identify areas that are going to be of a particular shortage nature if we do have mobilization so you can identify those and perhaps have some plan or make special efforts to identify certain categories that are going to be very, very necessary if we ever have mobilization? How do you see yourself working with DOD?

Mr. LESSEY. Let me make a supposition there. As you know, the fundamental function of the Selective Service System is to provide the requirements which the Department of Defense has specified. I think most of us think of this in the general sense of registration and inductees of troops for the Army. But I would certainly agree with you that it would make a lot of sense to pin down, particularly in this program which we've just been talking about, specialties and detailed requirements.

I want to work very closely with the Department of Defense. As you know, Mr. Carlucci is one of my classmates, and maybe I'll try to start with him. But I think that's absolutely essential.

CONSCIENTIOUS OBJECTORS

Senator GLENN. Do you think our laws, rules, regulations, and so on as to how we handle conscientious objectors are adequate now?

Mr. LESSEY. It would be premature for me to comment on that. I have done a lot of reading on the subject, but let me get inside, so to speak, and see if I find any weaknesses in that area, Senator.

MANPOWER SHORTAGES AND POSSIBLE DRAFT

Senator GLENN. One of the areas we are going to want to keep in touch with you on—and it comes out of some of the demographic studies we have had here—is that while the All Volunteer Forces have worked and they are working well now, the demographics of the number of the people in the age pool that will be eligible diminishes drastically over about the next 6 to 10 years. And while we are in good shape right now on this, I am not sure we are going to be in that kind of shape out here 6 or 8 or 10 years into the future. And we need to be aware of that.

Do you have any thoughts on whether we are going to have to go to a draft one of these days, and if so, how imminent that might be?

Mr. LESSEY. Well, I better make just two comments. I think, first of all, the Nation's colleges share this same demographic problem. Second, I prefer to defer to the Congress on the issue of whether we would find ourselves in the position of actually having a draft and inductions.

Senator GLENN. I was afraid you would say that. [Laughter.]

It's something we all have to face together, and we are going to have to work with you on the manpower pool and how you break that down and what requirements there might be because I do think while some Members of Congress, some members of this committee, have already called for a resumption of Selective Service or of a draft or a lottery for service and perhaps some plans for alternate service, some things like that, I haven't been willing to do that yet. But I can begin to see with the numbers that we have looked at that this may very well be necessary in the future. It is not going to be very pleasant and it's going to be something that while a lot of people may not cringe from, there is going to be a lot of resentment of it too if we have to take 2 or 3 years or whatever the time period is out of people's lives. But we may well have to do that.

And I don't look forward to that, nor do I think we need to do it immediately. But I think we do need to get some national discussion going on this as to how we are going to handle it whether it is going to be, for example, a 1 year requirement with 10 years in the Reserve, or 3 years right at the beginning and that absolves you from wartime mobilization. There are all sorts of permutations on this.

The case has been made for the current situation that while the All Volunteer Forces are working and we are getting the people in and fairly high caliber people, most of them high school graduates these days, a fairly high percentage, nevertheless that may not be sufficient in the future. Plus, is it fair that the draw of economic benefits to go into the military which obviously attracts the lower

socioeconomic strata in our society—is it fair that those are the people who are going to get shot at, wounded and killed for all the rest of us if a war starts? And should we have a draft that says okay, you take the rich kids, the poor kids, whoever comes up in the draft across the board and the whole social and economic structure of our country shares equally in the danger of getting shot at if war starts? That's a pretty powerful argument to me on the other side of this equation.

I am not proposing that we go to a draft or we go to selective service or set up a system like that now, but I think it is one that all of us need to think a lot about. And if we go to something like that, you are going to be right smack in the middle of it. Now, it may not happen on your watch, but it is something that we need to certainly do some planning on. So, I hope you would be thinking along some of those lines too.

Mr. LESSEY. The more effective we are, sir, I think the less chance there is of it happening on anybody's watch.

Mr. Chairman, if I may expand briefly on my last answer where I placed myself more in the journeyman role following your policy guidance, certainly the Selective Service is prepared to provide you with any professional advice we have and statistics and thinking which we come up with in this area which might be helpful to you.

Senator GLENN. Yes. Well, I appreciate that.

And, Mr. Lessey, do you agree, if confirmed, to respond to all requests to appear and testify before any duly constituted committee of the Congress?

Mr. LESSEY. I certainly do.

Senator GLENN. And if you are confirmed by the Senate, will you and your staff respond to all questions by this committee or any other appropriate member or committees of the Congress in a forthright and expeditious manner?

Mr. LESSEY. Yes, I will.

Senator GLENN. Good. Thank you.

We have here staff members representing some of our members here. Do any of the rest of you have questions on behalf of your members? Anyone else? Nothing.

I will certainly recommend your nomination. We have been through your record in its entirety. We find it exemplary for the job that you are going to embark on. And I hope that we can get your confirmation voted out very early next week so we can get you on the job and doing what needs to be done.

The hearing will stand in recess subject to the call of the chairman.

[Whereupon, at 10:30 a.m., the committee was adjourned subject to call of the Chair.]

[The nomination of Samuel Kenric Lessey, Jr., was reported to the Senate by Senator Sam Nunn on December 15, 1987, with the recommendation that the nomination be confirmed. The nomination was confirmed by the Senate on December 17, 1987.]

NOMINATION OF ROBERT W. PAGE, SR., TO BE AN ASSISTANT SECRETARY OF THE ARMY, CIVIL WORKS

TUESDAY, DECEMBER 1, 1987

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The committee met, pursuant to notice, at 2:37 p.m., in room SR-222, Russell Senate Office Building, Senator Alan J. Dixon presiding.

Present: Senators Sam Nunn (chairman of the committee), Alan J. Dixon, J. James Exon, Phil Gramm, Steven D. Symms, and Richard C. Shelby.

Staff present: Jeffrey H. Smith, general counsel; Patrick A. Tucker, minority counsel; Christine C. Dauth, chief clerk; and Kathryn E. Bognovitz, special assistant; Robert E. Bayer, Ronald P. Kelly, and Patricia L. Watson, professional staff members; Lori Jackson, staff assistant.

Also present: Charles C. Smith, assistant to Senator Dixon; Milton D. Beach, assistant to Senator Glenn; Terrence Lynch, assistant to Senator Shelby; William J. Wight, assistant to Senator Warner; Mark J. Albrecht, assistant to Senator Wilson; Alan Ptak, assistant to Senator Gramm; Samuel J. Routson, assistant to Senator Symms; and Patrick A. Putignano, assistant to Senator McCain.

OPENING STATEMENT BY SENATOR ALAN J. DIXON, PRESIDING

Senator DIXON. The committee meets this afternoon to consider the nomination of Robert W. Page, Sr., to be the Assistant Secretary of the Army for Civil Works.

As the chairman's commitments will preclude him from being present throughout this hearing, he asked me as chairman of the Subcommittee on Readiness, Sustainability and Support to preside this afternoon.

Mr. Page is a native Texan and a graduate of Texas A&M University where he received a bachelor's degree in architectural engineering. He saw service in World War II with the U.S. Navy and for a brief period after the war served with the Central Intelligence Agency.

Following his Government service he began a distinguished career as a construction engineer with many of the Nation's largest and most prestigious engineering firms. And he saw many years of service overseas, particularly in the Middle East where he man-

aged the construction of many industrial complexes similar to our civil works programs.

I'd like to note for the record that although our Committee on Armed Services has responsibility for considering Mr. Page's nomination, most of the programs that he will administer as the Assistant Secretary of the Army for Civil Works fall within the jurisdiction of the Committee on Environment and Public Works. I am aware that that committee had an opportunity to meet with Mr. Page this morning, and we intend to work closely with Chairman Burdick in disposing of this nomination.

Mr. Page, we welcome you, your lovely wife Nancy and your daughter Meg to the committee. I know this is a very special day for your entire family. I understand that our distinguished colleague from the State of Texas, Senator Gramm, has some introductory remarks, and I would welcome them at this point.

Senator GRAMM. Thank you, Mr. Chairman.

Mr. Chairman, first of all you've covered a lot of Bob Page's resume. I think, Mr. Chairman, that his service in the Pacific theater in World War II and in the CIA will represent good experience as he deals on water projects with the Congress. [Laughter.]

I think secondly one can hardly doubt his ability to do the job for the last 3 years he has been chairman and chief executive officer of the largest engineering and construction company in the world, and for 15 years has been either president or chairman of some of the largest construction firms on earth.

I think we're very fortunate to have a person who has practical experience in getting things done from an engineering point of view, who has a broad background of private business and public service. And I am confident that Bob will be an outstanding Assistant Secretary for Civil Works, and I look forward to working with him on all the water projects that we need in Texas and in other parts of the country as well.

Mr. PAGE. It was kind of you to say that, Senator Gramm.

Senator DIXON. Do any other members of the committee have opening statements?

Senator EXON. Yes, Mr. Chairman. I do.

Senator DIXON. Senator Exon.

Senator EXON. Thank you very much, Mr. Chairman.

Mr. Page, I welcome you here. You come with excellent credentials and I intend to enthusiastically support you. I am very pleased that the President made the nomination.

I think that you're going to find the work in this area very interesting and challenging. And although you come with a very good background, I suspect that you'll run into some new things that you've never run into before, not the least of which will be Members of the Congress looking over your shoulder.

There are some things though that we will be working together on and many things with the Corps of Engineers. As Assistant Secretary for Civil Works you will have very important responsibilities with the United States. And indeed, I am hopeful that you are prepared to carry them out in a cooperative and a prudent manner, which I think you will do because of your past experience.

As you know, water resources are central to the economic livelihood and quality of life in many of our Western States. The Corps

has a very definite role to play here. Having said that, I want to focus on a situation that is very important to my State of Nebraska and something that I hope we can work cooperatively together on.

I don't expect that you'll be able to do all the things that Nebraskans would like to see you do, but we'd like to think that in a man in your position we have an ear open to the standpoint of the concerns of Nebraskans and other States in the great midwest area.

The State of Wyoming has proposed construction of a dam on Deer Creek which is a tributary of the North Platt River. Although no Federal funds would be involved in this construction, the Corps of Engineers is required to prepare an environmental impact statement. I think you're going to run into several of those during your tour of duty.

I have participated in development of that statement on a number of occasions in an effort to ensure that Nebraska's interests are well represented. Despite that participation, Nebraska officials and I remain concerned over the accuracy of the information included in the statement. I would simply say that while it is a difficult time to agree on what is accurate and what is not accurate depending on one's point of view, I do hope that the Corps will continue their traditional policy of being totally accurate and not be influenced by one side or another on many of the important matters that will come before you.

The Deer Creek is also the subject of an action now pending between the States of Nebraska and Wyoming in the U.S. Supreme Court. If Nebraska's concerns are not addressed in the environmental impact statement, I suspect we will face a full-blown Supreme Court battle. I have been through water wars before, and I can tell you that long drawn out litigation is not my preferred way to do business, nor do I think has history shown that it's a good way for the individual States to do business.

I suspect that as a new nominee you may not be intimately familiar with this dispute, but I would like to get your assurance that one of your first priorities will be to take an in-depth look at the issues involved here and the Corps of Engineers' role in that dispute. If you think that their role has been proper and they have done a good job on the impact statement, then I will at least agree that you have taken a look at it even though you might not agree with my point of view.

There is a similar dispute between Colorado and Nebraska on a project known as Two Forks. Like Deer Creek, Two Forks is not dependent on Federal funds. The Corps is continuing its work on an environmental impact statement in this area. It is my understanding that the Corps has scheduled a meeting in Grand Island, NE on February 2 on the Two Forks situation. I was pleased with that move and would like your assurances that you will take a long, hard look at the issues raised in that hearing on the Two Forks situation.

Finally, I want to bring up the Missouri River National Recreation River. This project has been deadlocked over a dispute on cost sharing for the Steam Bank stabilization measures. As a part of the Nation's wild and scenic river system, this stretch of the Missouri River deserves to be protected by the Federal Government. I have tried hard to make that point clear to officials within the ad-

ministration. Unfortunately, they fail to recognize the Federal Government's responsibility. The administration has gone so far as to threaten a veto of legislation which would address this situation.

I just hope that I can be assured that you will take an objective look at the Missouri River National Recreation River and the cost sharing issues connected therewith. I also suggest, Mr. Page, that you're going to become very intricately involved, and when the question time comes I'll be seeking your ideas on the protection of wildlife downstream on the rivers.

I think man has learned a lesson very hard and very well, that when man starts changing what God made, sometimes things don't always work out as one had anticipated.

So I want to welcome you here today. Regardless of your answers to these questions I'm going to be in support of your nomination because quite obviously you'll have unique and well qualified experience to suit you well for this position.

I'll have some questions later on, Mr. Chairman.

Senator DIXON. I thank you, Senator Exon.

Are there any further opening statements?

Senator SYMMS. Mr. Chairman, I just want to make a brief statement. I want to say that I welcome Mr. Page here and that I'm on the other committee that he testified before this morning. I apologize to him that I wasn't there. I was tied up on the floor at the time and I appreciate the opportunity to be here.

I would just say to him that he looks extremely well qualified for the job. I think he is following a man who served very ably in that position and we felt that we got a great deal of cooperation from the Corps of Engineers on projects and problems, particularly that I had and have in the State of Idaho and in that region.

I look forward to working with you and I hope that we can continue to have the same association.

Thank you, sir.

Senator DIXON. Senator Shelby.

Senator SHELBY. Thank you, Mr. Chairman. I'll be very brief.

I did want to add that although Senator Gramm has introduced himself again and also Mr. Page as a Texas A&M supporter and graduate, Mr. Page spent a lot of time in Alabama, has a lot of friends in Alabama. We'll claim him partly at least. We won't try to take all of him. But he is extremely well qualified.

I share some of the sentiments that the Senator from Idaho just mentioned. He is going to fill the shoes, and I feel ably, of Robert Dawson who is from Alabama who is now over at OMB, and who worked well with most of us. I believe you'll see the same thing with Bob Page.

Senator DIXON. Are there any further opening statements?

[No response.]

[The nomination reference of Robert W. Page follows:]

NOMINATION REFERENCE

AS IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
October 28, 1987.

Ordered, that the following nomination be referred to the Committee on Armed Services:

Robert W. Page, Sr., of Texas, to be an Assistant Secretary of the Army, vice Robert K. Dawson, resigned.

[The biographical sketch of Robert W. Page, which was transmitted to the committee at the time the nomination was referred follows:]

BIOGRAPHICAL SKETCH OF ROBERT W. PAGE, SR.

Name: Robert W. Page, Sr.

Personal: Married, 4 children.

Date of Birth: January 22, 1927.

Place of Birth: Dallas, Texas U.S.A.

Education: Texas A&M University, B.S. Arch. Engineering.

Service: U.S. Navy, Pacific Theatre—World War II.

Affiliations: Tau Beta Phi—Engineering Scholastic Society; Who's Who in America/World; Who's Who in Engineering & Technology.

Memberships: American Society of Civil Engineers; American Society of Military Engineers; Apawamis Country Club, Rye, New York; The Moles Club, New York, New York; The Birmingham Country Club, Alabama; The Petroleum Club, Houston, Texas; Sakonnet Country Club, Rhode Island; The Ramada Club, Houston, Texas; Rotary Club; President's Board, University of Alabama in Birmingham; President's Council, Texas A&M University; Member, Engineering Development Council, Texas A&M University; Member, Architectural Development Council, Texas A&M University; Trustee, International College; Trustee, American University in Cairo; Member of Advisory Board, Asia Society, Houston, Texas; National Eagle Scout Council; First Chairman Turkish-U.S. Trade Commission; Board of Directors, John E. Gray Institute; Board of Directors, Republic Bank, Houston; Board of Directors, Houston Grand Opera Association; Board of Directors, Wortham Center, Houston, Texas; Chairman of Board, MetroBank Birmingham, Alabama; Trustee, Southern Research Institute; Board of Directors, Hall of Fame Bowl; Board of Directors, Houston Chamber of Commerce; Member, President's Export Council; Chairman, International Engineering and Construction Industries Council (IECIC); Board of Directors, National Council on U.S. China Trade.

Awards: 1985: Engineering News Record Man. of the Year Award (Honoree).

CAREER

Present: PM Company, President and Chief Executive Officer.

June 1984-Jan. 1986, Kellogg Rust Incorporated, Chairman and Chief Executive Officer.

June 1981-June 1984, Kellogg Rust Incorporated, President and Chief Executive Officer.

June 1981-June 1983, the M.W. Kellogg Company, President and Chief Executive Officer.

Dec. 1976-May 1981, the Rust Engineering Company, President and Chief Executive Officer.

Jan. 1972-Dec. 1976, George A. Fuller Company, President and Chief Executive Officer.

Northrup Corporation, Vice President.

1966-Jan. 1972, Rockefeller Family & Associates, Vice President of Construction; in overall charge of all development, engineering and construction.

1961-1966, Bechtel Corporation, New York, Assistant General Manager, Responsible for construction of varied facilities ranging from twenty-one highrise facilities to air facilities, industrial plants, land developments, office buildings, etc. Complete charge of estimating, cost control, purchasing, field project management, scheduling and all home office administration. Estimated dollar volume per year—\$200 million.

1958-1961, Southeast Drilling Company, Dallas, Texas. Formed and organized with Bill Clements, a construction company in conjunction with a large drilling company working in the Gulf of Mexico, South America and the Middle East. Constructed airports, dock and port facilities, road and oil field complexes. Tropical spru necessitated my return to the U.S.

1952-1955, American University of Beirut, Beirut, Lebanon. In charge of engineering and construction for a new college campus and a large hospital complex. Also Assistant Professor of Engineering.

1950-1952, Central Intelligence Agency, Agent. Duties classified.

[The Committee on Armed Services requires all individuals nominated from civilian life by the President to positions requiring the advice and consent of the Senate and certain senior military officers as determined by the committee, to complete a form that details the biographical financial and other information of the nominee. The form executed by Robert W. Page in connection with his nomination follows:]

UNITED STATES SENATE
COMMITTEE ON ARMED SERVICES

Room SR-222

Washington, DC 20510-6050

(202) 224-3871

COMMITTEE ON ARMED SERVICES FORM

BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF
NOMINEES

INSTRUCTIONS TO THE NOMINEE: Complete all requested information. If more space is needed, use an additional sheet and cite the part of the form and the question number (i.e. A-9, B-4) to which the continuation of your answer applies.

PART A—BIOGRAPHICAL INFORMATION

INSTRUCTIONS TO THE NOMINEE: Biographical information furnished in this part of the form will be made available in committee offices for public inspection prior to the hearing and will also be published in any hearing record as well as made available to the public.

1. NAME: (Include any former names used.)

Robert W. Page.

2. Position to which nominated:

Assistant Secretary of the Army (Civil Works).

3. Date of nomination:

October 27, 1987.

4. Address: (List of current place of residence and office addresses.)

Residence: [Nominee responded and the information is contained in the committee's executive files.]

Office: Office, Assistant Secretary of the Army (Civil Works) Pentagon, Room 2E570 Washington, DC 20310-0103.

5. Date and place of birth:

January 22, 1927, Dallas, Texas.

6. Marital Status: (Include maiden name of wife or husband's name.)

Married, Wife's Maiden Name: Nancy Ann Cheatham.

7. Names and ages of children:

Robert W. Page, Jr., 32; David Benfer Eaton Page, 31; Mark Tyler Page, 28; Margaret Penrose Page, 21.

8. Education: List secondary and higher education institutions, dates attended, degree received and date degree granted.

Name of school, Dates attended, Degree, Date.

Alex W. Spence, 1940-1941, North Dallas, 1941-1942, Highland Park, 1942-1944, High School; Texas A&M, 1944-1944, Texas A&M, 1944-1951, B.S. Arch Engr/Aug 1951.

9. Employment record: List all jobs held since college or in the last 10 years, whichever is less, including the title or description of job, name of employer, location of work, and dates of employment.

From, to, name of employer, address, type of work.

4/87-7/87 self-PM Company 515 Post Oak Blvd, Houston, TX 77027, consulting.
9/81-1/86, Kellogg-Rust, 3 Greenway Plaza, Houston, TX 77046, engineering & construction.

12/76—9/81, Rust Engineering Company, P.O. Box 101, Birmingham, AL, engineering & construction.

1/72—12/76, George A. Fuller, Madison & 57th St., Fuller Bldg. Company, New York City, construction.

11/66—1/72, Rockefeller Family & Association, 50 Rockefeller Pl., New York, NY, engineering & construction.

10/61—11/66, Bechtel Corp., 385 Lexington Ave., New York, NY, engineering & construction.

6/61—10/61, A.M.F., Stanford, CT, engineering & construction.

4/60—6/61, Southeast Drilling Company, 112 Vay Street, Dallas, Texas, engineering & construction.

8/59—4/60, Texas Instruments Corporation, Richardson, TX, engineering & construction.

7/58—8/59, International College, Beirut, Lebanon, engineering & construction.

2/57—6/58, ARAMCO, Dhahran, Saudia Arabia, engineering & construction.

8/55—2/57, ARAMCO, The Hague, Netherlands, engineering & construction.

8/53—7/55, American University, Beirut, Lebanon, assistant professor.

2/53—8/53, Williams & Wagner Construction, Co., Dallas, TX, engineering & construction.

9/52—2/53, O'Rourke Construction Co., Dallas, TX, estimator.

7/50—8/52, C.I.A., Washington, D.C., agent.

10. **Government experience:** List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above.

President's Export Council.

11. **Business relationships:** List all positions currently held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution.

The Allen Group.

12. **Memberships:** List all memberships and offices currently held in professional, fraternal, scholarly, civic, business, charitable and other organizations.

American Society of Civil Engineers.

American Society of Military Engineers.

MOLES.

President's Council—Texas A&M.

Board of Visitors—University of Houston.

Board of Directors—Houston Chamber of Commerce.

Board of Directors—Houston Opera.

13. **Political affiliations and activities:**

(a) List all offices with a political party which you have held or any public office for which you have been a candidate.

None.

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 5 years.

Member—Republican National Committee.

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$100 or more for the past 5 years.

1987—\$1,000—George Bush

1980—Approx. \$600—PAC Wheelabrator Frye

1979—Approx. \$600—PAC Wheelabrator Frye

1978—Approx. \$600—PAC Wheelabrator Frye

14. **Honors and Awards:** List all scholarships, fellowships, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements.

Tau Beta Pi; Endowed Faculty Fellowship—Texas A&M; U.S. Navy World War II Pacific Theater; National Eagle Scout Association; Whos Who in Engineering & Technology.

15. **Published writings:** List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.

Chief Executive Officer in the Engineering and Construction Industry. Currently being published by McGraw-Hill.

16. **Speeches:** Provide the committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated.

No public speeches. Have sat on a number of panels, which I have been asked to speak regarding exports, policy and trade deficits as a member of the President's Export Council.

17. Selection:

(a) Do you know why you were chosen for this nomination by the President?

My background in the engineering and construction industry.

(b) What do you believe in your background or employment experience affirmatively qualifies you for this particular appointment?

I am a graduate engineer. Have spent 36 years in the engineering and construction field. In the last 14 years as Chief Executive Officer of three major engineering and construction companies, which over the last 3 years, were the largest in the world.

18. Commitment to testify before Senate committees: Do you agree, if confirmed, to respond to requests to appear and testify before any duly constituted committee of the Senate?

Yes.

COMMITTEE ON ARMED SERVICES FORM

FINANCIAL AND OTHER INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Information furnished in Parts B through F will be retained in the committee's executive files and will not be made available to the public unless specifically directed by the committee.

NAME: Robert W. Page, Sr.

PART B—FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all business connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Has anybody made a commitment to employ your services in any capacity after you leave government service?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Is your spouse employed and, if so, where?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. If confirmed, do you expect to serve out your full term or until the Presidential election, whichever is applicable?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART C—POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients or customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.)

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Do you agree to provide to the committee any written opinions provided by the General Counsel of the agency to which you are nominated and by the Attorney General's office concerning potential conflicts of interest or any legal impediments to your serving in this position?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART D—LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Have you ever been investigated, arrested, charged or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county or municipal law, regulation or ordinance, other than a minor traffic offense? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Have you or any business of which you are or were an officer ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you ever been convicted (including a plea of guilty of nolo contendere) of any criminal violation other than a minor traffic offense?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Please advise the committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART E—FOREIGN AFFILIATIONS

1. Have you or your spouse ever represented in any capacity (e.g., employee, attorney, business, or political adviser or consultant), with or without compensation, a foreign government or any entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. If you or your spouse has ever been formally associated with a law, accounting, public relations firm or other service organization, have any of you or your spouse's associates represented, in any capacity, with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. During the past ten years have you or your spouse received any compensation from, or been involved in any financial or business transactions with, a foreign government or an entity controlled by a foreign government? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you or your spouse ever registered under the Foreign Agents Registration Act? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART F—FINANCIAL DATA

All information requested under this heading must be provided for yourself, your spouse, and your dependents.

1. Describe the terms of any beneficial trust or blind trust of which you, your spouse, or your dependents may be a beneficiary. In the case of a blind trust, provide the name of the trustee(s) and a copy of the trust agreement.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Provide a description of any fiduciary responsibility or power of attorney which you hold for or on behalf of any other person.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, executory contracts and other future benefits which you expect to derive from current or previous business relationships, professional services and firm memberships, employees, clients and customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you filed a Federal income tax return for each of the past 10 years? If not, please explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Have your taxes always been paid on time?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Were all your taxes, Federal, State, and local, current (filed and paid) as of the date of your nomination?

[Note: Nominee responded and the information is contained in the committee's executive files.]

7. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

[Note: Nominee responded and the information is contained in the committee's executive files.]

8. Have any tax liens, either Federal, State, or local, been filed against you or against any real property or personal property which you own either individually, jointly, or in partnership?

[Note: Nominee responded and the information is contained in the committee's executive files.]

(The committee may require that copies of your Federal income tax returns be provided to the committee. These documents will be made available only to Senators and the staff designated by the chairman. They will not be available for public inspection.)

SIGNATURE AND DATE

I hereby state that I have read and signed the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

ROBERT W. PAGE.

This 30th day of September, 1987.

Senator DIXON. Mr. Page, we're delighted to have you here. Please feel free to proceed with your statement. Each of us has your statement. If you want to summarize it, that would be a convenience of course. But we're delighted to hear what you have to say.

STATEMENT OF ROBERT W. PAGE, SR., NOMINEE FOR ASSISTANT SECRETARY OF THE ARMY FOR CIVIL WORKS

Mr. PAGE. Thank you, Mr. Chairman.

I'd like to thank Senator Gramm for his fine introduction, and also the comments that were made by his associates, the other Senators present.

If you will allow me, sir, I have a statement that I would like to present for the record. If I may, I will speak very briefly from the statement as I think it is self-explanatory. Furthermore, Senator Gramm gave a synopsis of my background.

In the short period of time that I have been here, I have had the opportunity to meet with a number of the Senators and have explored the issues which I have become more aware as being critical and paramount. Senator Exon gave examples of the types of critical issues that have to be addressed and I can assure you that I will do my best to confront and meet their challenge.

Communication to me is very important. I have learned in my many meetings over these past few weeks that the two-way communication is invaluable and to work in a vacuum or unilaterally will not result in ultimate success.

I need and want to be available to address myself to your problems, questions, and issues. I will attempt to resolve all of them.

The period of time is short until the end of this administration. Therefore, I think it would be foolhardy of me to try and conquer all the windmills. I shall concentrate on the items which I have placed a high priority for this next year.

One is to take up the new bill. I find this legislation, Public Law 99-662, to be very challenging and one which I think will ultimately be positive for this country, the private sector, and the Corps of Engineers. It also will result in reductions in our budgets and project costs.

On this issue we will work in concert with the Corps—I've spoken with the Corps and they are beginning to address this subject. We will continue developing our own procedures and controls to evolve them from the Government sector into the private sector. This accomplishment will require an entirely different approach, and one which the Corps views as a positive challenge.

If we're successful in this implementation, and we certainly intend to be, the result will be better control on our projects. By working successfully in joint ventures with the private business sector, we will ultimately find ourselves competitive with the private sector.

I have been blessed with the fact that I have a deputy, John Doyle, who is in place now. And I want to commend him, as I'm sure all of you do, for the effort that he has put forth in this transition period. You spoke of Bob Dawson. To follow Bob will be a challenging task. Although he had some difficulties at the start of his confirmation process, he proved himself to be a very bright and dedicated individual. He was highly successful as the Assistant Secretary of the Army (Civil Works).

As I have mentioned in my formal statement, in addition to my recent contact with the Corps of Engineers, I also worked with them in the private sector. Sometimes we were in opposition to one another which is healthy. However, I personally attest that General Heiberg and his people represent the finest engineering and construction organization in the world.

It's an honor for me to be here. I appreciate your inviting my wife and daughter to be here. Nancy has been by my side for 35 years, and we consider this one of our greatest honors. She thanks you as does my daughter, Meg.

Thank you, sir.

[The prepared statement of Robert W. Page follows:]

PREPARED STATEMENT OF MR. ROBERT W. PAGE

Mr. Chairman, members of the committee, I am honored to appear before you today as the administration's nominee to be Assistant Secretary of the Army (civil works).

I welcome this opportunity to meet with you publicly. I have met with many of you privately which was a rewarding experience.

Mr. Chairman if I may, for the record, present you with a brief opening statement, and with your and member's of the committee indulgence, speak briefly from this written statement.

Firstly, I shall give you a synopsis of my personal background so that you may be better informed as to how to assess my ability, and of course, to know a little more about me personally. I was born in Dallas, Texas, January 1927. I attended and graduated from Texas A&M with a B.S. engineering degree. I served in the U.S. Navy in the Pacific Theater in World War II.

Following my graduation from Texas A&M, I was recruited and served slightly over two years with then newly formed Central Intelligence Agency. During that tenure, I was trained in the United States, then served in Iran during a decisive period. This tour stimulated my interest in the Middle East.

It was in Iran where I met my wife, who was born in Detroit and grew up in Swampscut, Massachusetts. We were married in 1953 and returned to the Middle East, where I taught at the American University of Beirut, served with the Arabian American Oil Company and the Betchel Corporation.

This constituted approximately fourteen consecutive years outside of the United States, primarily in the Middle East.

During my career, I had the good fortune to serve with Laurance Rockefeller at Rockefeller Family and Associates, as a vice president in charge of their construction. We built and developed many fine facilities. I would like to note here that one cannot have served under the tutelage of Mr. Rockefeller and not be sensitized to the importance of sustaining and maintaining a proper balance in the environment. This balance directly affects our quality of life.

I have experienced countries in which, through lack of sensitivity or controls, an intolerable environment was created. Here in America, we are much more sensitive to this issue and I applaud the steps Congress has taken in enacting legislation for the interests of safeguarding the environment.

For over 37 years, I have served my profession, 16 of which were as a chief executive officer. My management skills have come from long and tested experience. My aim is to use these skills to their best advantage in this office.

Inasmuch as we have a short period of time from confirmation to the change of administration, I feel that my goals must be well defined and prioritized. We must

select important tasks that can be accomplished, and we must select the more crucial elements and deal with them. These are:

Administering the recently enacted legislative charter with sensitivity to proper controls in operations and environment.

Implementing the cost sharing reforms. These reforms are revolutionary and exciting, and the mandate included in P.L. 99-662 is of paramount importance. The adjustment to this program will require the Corps to review and modify their methods, procedures, monitoring and control in order to structure them to accommodate the cost sharing partners. These adjustments are underway—refining and instituting the procedures is our goal.

It is my humble belief that, if we are successful in meeting these objectives, it will enhance the image of the Corps of Engineers, within the government and with its non-Federal partners. Furthermore, the expansion of the cost sharing program to other Federal agencies would help in our fight to reduce the Federal deficit. That to me would be a worthy accomplishment.

In addition, to my work with the CIA, I have some recent experience with the Federal Government. I was appointed by President Reagan to his export council in 1984 (upon which I still serve but will resign if and when I am confirmed).

I have also served my industry as chairman of the International Engineering and Construction Council. In addition, I was selected by the Prime Minister of Turkey and our Government to serve as the first chairman of the Turkish-U.S. Business Council.

A multi-faceted operation such as the Army Corps of Engineers is greatly dependent upon communication. I have understood from talking with many of you, over the past few weeks, the necessity of our working closely together. This we will do. It is not my style to work unilaterally. This serves neither of our purposes. You make the laws, we carry them out, and that we will do to the best of our abilities.

If confirmed, I look forward to serving. I feel it is an honor to be asked to serve, and I hope that I can make a contribution to this organization.

I'm excited about the opportunity to work with General Heiberg and the Corps of Engineers, which I consider the world's premier engineering and construction organization. The short period of time that I've been here in Washington, D.C., I've been impressed with the dedication within the Corps of Engineers and the Office of the Assistant Secretary of the Army (civil works).

During the transition period between permanent assistant secretaries, John Doyle has performed an outstanding service and is to be commended.

In order to meet the challenging future, the Corps needs to sustain and develop their young management talent. And that I am committed to do, based upon my own years in management. Personnel is a major asset.

I look forward to working with this committee and you individually. Again, thank you for the opportunity to be here today.

Thank you very much.

Senator DIXON. We thank you, Mr. Page.

Senator EXON.

Senator EXON. Thank you, Mr. Chairman.

Mr. Page, could you give me just a little bit of background about your experiences with construction where wildlife has been affected? I assume you've had some experiences, both good and bad, in this particular area. I would like just a little bit of your general philosophy about the need of the Government to look at other than where we're going to store water and who is going to lose. That's an age old problem, especially in the Western States where water is very dear and near to us.

But what about wildlife? What is your basic attitude in that regard?

Mr. PAGE. Senator, my entire heritage and background have made me somewhat of a strong believer in the maintaining of environment and quality of life. I strongly believe that wildlife management is very important. Many of my friends are actively engaged in this pursuit.

I wish that through the years I'd been a little more capable of understanding the nuances of wildlife management, as it is impor-

tant to me. I do not feel that in the process of progress we should ignore the implications that can cause a chain reaction within the environment.

My direct concern with water resources, as depicted in my background biography, causes me not to pretend to be an authority or an expert in that field. I have not been involved directly in that field. I have been closely associated with it most of my career. Dealing with projects large and small, almost every one had in one form or the other some impact upon its environmental situation.

This was not the case overseas. I appreciate the prudence of our Government in pursuing the protection of our environment as I saw that environment violated and the quality of life degraded in some foreign countries. Until you have had this actual experience, you don't realize that the quality of life is something that you cannot buy.

I can answer you on specifics, as I know of one project which had significant impact on the preservation of wetlands and swamps. The process of engineering and building the Giant football stadium in the New Jersey Meadowlands wetlands, caused me to fully understand the impact of that situation on the environment.

But rather than dwell on it, Senator, I hope that is a response to your question.

Senator EXON. I appreciate your statement very much, Mr. Page. It seems to me that in the early days of all of our reclamation work, the first time that I remember getting very much involved in this was back when the Corps built one of the dams on the Missouri, the Pikesloane Plant. And in those days environmental considerations were not taken much into account.

We wanted to build dams to store water and to make power generation facilities available. And we just felt that the rivers and the streams and the wetlands would take care of themselves. Well, that isn't always the case. And I think mankind has learned a great deal in the last 30 or 40 years. Environmental considerations are uppermost now in our minds regarding the projects that I mentioned to you in my opening statement that effect the Platt River flows, both from Colorado and from Wyoming into Nebraska. They have a tremendous effect.

And what we're concerned about, unless the environmental impact statements are properly done, we're going to find ourselves in a situation where rivers that have always been rivers are going to be total sandbars at certain times of the year. And I know that we can't predict rainfall and I know we can't predict snowfalls with certainty in the mountains. But I simply say that while I think we have to move ahead in a whole series of areas, I would hope that you would continue the attitude in the Corps that there are things equally important to man as building things, that man maintain as best he can as he moves forward with necessary improvements, to protect the quality of life as we know and see it.

And we downstream in Nebraska are very much concerned about some of these things. I look forward to working with you on them and do hope—could I get a commitment from you—that the projects that I have mentioned today would be ones that you would at least take a look at when you become Secretary, as I'm sure you

will. Will you take a look at them and see if they meet your standards for quality of life that you so well enunciated here today?

Mr. PAGE. Yes sir, Senator. I think that's a fair request and certainly one I'll honor.

Senator EXON. Thank you very much, Mr. Page. And thank you, Mr. Chairman.

Senator DIXON. I wonder if Senator Gramm would yield to one question from the chairman?

Senator GRAMM. Sure.

Senator DIXON. He has to go elsewhere.

Senator NUNN.

Chairman NUNN. Thank you, Senator. I don't have any questions.

I've looked at Mr. Page's résumé and I found him to be extremely well qualified for this position. I also listened very carefully to his opening statement and believe he has a balanced approach to what has to be a balanced job in terms of looking after the development projects, the Corps of Engineers, and also the environmental balance.

I think it's a question of looking short term versus long term, if you put it in economic terms. In the long term, economically, we must depend on our environment being sound and preserving it for future generations. So I see it in that vein.

I didn't hear Senator Gramm's introduction, but I know it was very appropriate, being from Texas. I also know you have some Alabama experience, so that stands you well too.

So we're pleased to have you here, pleased to have your wife and daughter. I look forward to supporting your nomination.

Mr. Chairman, I thank you for presiding today. I had several other things I had to do, and I appreciate it.

Senator GRAMM, thank you for yielding.

Senator DIXON. May I announce the procedure here to accommodate my colleagues. Senator Gramm will ask the next line of questions. Senator Exon has gone to vote. When he returns he will assume this chair and I'll go vote.

I would suggest to my colleagues, Senator Symms and Shelby if they cared to, they could go vote and come back and by that time it would be about their turn to question. I'd go from Senator Gramm to Senator Shelby and back to Senator Symms, unless you all want to wait.

Senator GRAMM. Well, Mr. Chairman, I'm going to be brief. I've had an opportunity to—

Senator DIXON. Senator Gramm.

Senator SHELBY. If the Senator from Texas would yield a second. I don't have any questions. I just want to vote for him.

Senator DIXON. All right. We thank Senator Shelby.

Senator SYMMS. I want to be recorded as voting for him.

Senator DIXON. All right.

Senator GRAMM. I also want to be recorded as being glad that Texas is not next to Nebraska. [Laughter.]

It sounds like they're in a battle with every other State that touches them.

Senator DIXON. Senator Gramm.

Senator GRAMM. I just want to say, Mr. Page, that if you're ever in doubt about something, following up on what Senator Shelby said, I hope you'll talk to Bob Dawson. I really believe that he's done a better job in this position that you will assume than anybody who's ever had that job.

He was controversial to begin with I think quite frankly because people who didn't want a balanced approach they thought that he might bring it. I think, quite frankly, that he was good enough at his job that he learned the issues well enough that he was able to bring a balanced approach and convince people that he was being fair about it.

I just would like to suggest whenever you're in doubt that you talk to Bob Dawson. Finally, I would like to just remind you, for some reason that I have never quite understood, there is nothing that the bosom of a politician attaches itself closer to than some water project somewhere. It's an amazing thing to me that of all issues around here, the ones that get to be the most emotional have to do with building some little old pond or lake somewhere.

And so I just want to warn you in advance that people take this stuff very seriously and you have signed on for a tough job, but I'm confident that you can do it and I look forward to working with you.

Mr. PAGE. Thank you, sir.

Senator DIXON. Senator Shelby.

Senator SHELBY. Mr. Chairman, I would be remiss if I didn't tell Bob Page—he might already know this—that in my home of Tuscaloosa, AL, the Corps of Engineers, under their supervision, is replacing the locking dam. Bob Dawson did a good job and I believe you'll be there when it's finished. I hope you'll be there at the dedication.

Other than that, I don't have any wetland problems today. [Laughter.]

But I'm sure that out of the Mobile district you'll be hearing from myself and Senator Heflin and others and probably a lot of your friends in Birmingham.

Mr. PAGE. Yes.

Senator SHELBY. So I think you're uniquely qualified for this job. And although you've got some big shoes to fill, I believe you will do it.

Senator GRAMM. Mr. Chairman.

Senator DIXON. Senator Gramm.

Senator GRAMM. I have a unanimous consent request. I'd like to ask unanimous consent that a statement of support of Mr. Page for this nomination by Senator Warner be entered into the record, as well as a letter from the American Society of Civil Engineers urging Mr. Page's confirmation.

Senator DIXON. That will be done without objection.

[The material mentioned follows:]

PREPARED STATEMENT BY SENATOR JOHN WARNER

Mr. Chairman, I want to join with my colleagues in welcoming Mr. Page before the committee.

I look forward to hearing Mr. Page's views on this new era the Corps has entered on the financing of our Nation's water development projects.

Since being elected to the Senate, passage of comprehensive water resources legislation has been among my highest priorities.

Over the years, I have introduced legislation and worked with my colleagues, many of whom served on this committee, who shared my commitment to this effort.

As early as 1983 when we introduced S. 865, I was convinced that the cost-sharing structure in that bill was equitable and appropriate both to meet our water infrastructure needs and for the Nation's taxpayers.

It was most gratifying when the Senate passed the Omnibus Water Resources Development Act last year, incorporating many of those provisions of the early bills in support of the cost-sharing concept.

My keen interest in this legislation is somewhat parochial because of the harbor improvement needs of Hampton Roads and its impact on Virginia's coal producing counties.

However, the overriding Federal interest in a modern harbor system is twofold: to promote America's trade potential and economic strength, as well as to meet our defense commitments.

The United States must be prepared to meet the world demand for its goods by developing a more competitive port transportation system.

A strong port system which increases our capacity to export reduces our balance of trade deficit and makes a positive contribution to employment in every State in the Nation.

Likewise, our Constitutional obligation to provide for the Nation's defense demands that our ships be free to sail at any time.

The quick and efficient development and servicing of troops and equipment must be assured by modern, well-maintained harbors.

Also, the cost-sharing provisions in the act gives clear direction to our local governments of their responsibilities as partners in these projects.

For Virginia, this has kept many of our desperately needed flood control and beach erosion control projects on schedule.

We have made much progress on these projects under the act.

The first phase of the Hampton Roads deepening project will be completed in September 1988, and the Commonwealth of Virginia has indicated its willingness to move forward with the 55 ft. phase.

The Roanoke channelization project is moving toward the development of final plans and specifications.

The City of Richmond and the Corps have signed the local cooperative agreement on the Richmond Flood Wall.

Other projects are progressing in the planning formulation stage on schedule.

Although I have been generally pleased with the Corps' implementation of the act, I do have serious reservations with the Corps' policy not to construct projects according to the project scope as authorized by Congress.

I have in mind a particular policy that is adversely affecting the Roanoke Channelization Project. It is a policy which I believe violates the 25%-35% cost-sharing requirements on flood control projects.

Also, I have serious reservations with the Corps' interim final rule on the ability-to-pay provisions on flood control projects as it affects the Levisa and Tug Forks projects of the Big Sandy River.

In 1981 the Congress recognized the unique circumstances of the flood problems and the economic difficulties of this coal-producing region and determined that the traditional benefit-cost requirements would not be applied to these projects.

As I understand this new rule, local sponsors in the Virginia portion of this project will not qualify for any cost-sharing reduction, even though the per capital personal income of the sponsoring counties is virtually the same in Virginia, West Virginia and Kentucky.

If this is true, this is not an equitable situation.

I remain committed to the hard fought, but delicate cost-sharing agreements reached between the administration and the Congress in the Omnibus Water Resources Development Act.

The fair implementation of the Omnibus Water Resources Development Act is critical to continuing the progress we have experienced in the past year.

I pledge to remain intimately involved with the Corps' policies on this legislation.

I trust that Mr. Page will bring continuity to this program and follow in the footsteps of his able predecessors, Secretary Bob Dawson and the Acting Assistant Secretary, John Doyle.

AMERICAN SOCIETY OF
CIVIL ENGINEERS,
Washington, DC, December 1, 1987.

HON. JOHN W. WARNER,
Committee on Armed Services, SR-232A Russell Senate Office Building, Washington,
DC.

DEAR SENATOR WARNER: On behalf of the 100,000 members of the American Society of Civil Engineers (ASCE), I respectfully urge the Committee to approve and recommend to the Senate the conformation of Robert W. Page, Sr. to be Assistant Secretary of the Army for Civil Works.

Robert Page has many years of experience in the engineering and construction field, making him eminently qualified to oversee the civil works program of the U.S. Army Corps of Engineers. Additionally, his considerable international experience would complement the activities of the Corps.

As an engineer and executive possessing vast knowledge, expertise, and experience, Robert Page's nomination is most worthy of the Committee's approval. I respectfully request that this letter be entered into the hearing record.

Sincerely,

ALBERT A. GRANT, P.E.,
President.

Senator DIXON. Mr. Page, I think we can dispense with this pretty quickly. There are no other members here. I have two or three very brief questions.

I take it, Mr. Page, that you do support section 404 of the Clean Water Act and the wetlands programs.

Mr. PAGE. Yes, sir. I do.

Senator DIXON. And you believe that the Corps has a role to play in preserving or recreating wetland programs.

Mr. PAGE. I think it should be very significant, sir.

Senator DIXON. I will in time, in the next several days, Mr. Page, demonstrate my guilt along with all other members of the Senate by sending you a letter concerning a wetland project very close to those of us in the Illinois congressional delegation. It happens to be in Lake County in northern Illinois. I state that for the benefit of my colleague from Texas, a Republican congressional district.

I'd like to contact you about that. It's in the Upper Plains River. I'd appreciate your consideration of our request. Perhaps sometime shortly at least this Senator and Representative Porter and others will come and call upon you. I'm sure you'll be kind enough to give us a little of your time.

Mr. PAGE. Yes, sir.

Senator DIXON. Are there any other questions?

Senator GRAMM. Mr. Chairman, I also have a unanimous consent request from Senator Thurmond that his statement of support be entered into the record.

Senator DIXON. That will be entered into the record without objection.

[Senator Thurmond prepared statement follows:]

PREPARED STATEMENT OF SENATOR STROM THURMOND

Mr. Chairman: I want to add my welcome to Mr. Page. He is an exceptionally well qualified candidate for the position of Assistant Secretary of the Army for Civil Works. Mr. Page has served our Nation with distinction both as a civilian and in uniform, being a veteran of naval service during World War II.

Mr. Page will be a good addition to the senior leadership in the Department of the Army. I look forward to the nominee's testimony and to supporting his nomination. Thank you, Mr. Chairman.

[Questions for the hearing record with answers supplied, follow:]

QUESTIONS SUBMITTED BY SENATOR JOHN W. WARNER

NEW CONSTRUCTION STARTS

Senator WARNER. If the Congress were to authorize a project for construction by the Corps of Engineers, and local sponsors of that project were prepared to cost share its construction in conformance with the 1986 Act, are there any circumstances other than budget priorities which would lead you to either refuse to sign a Local Cooperation Agreement for such an authorized project, or simply refuse to build it?

Mr. PAGE. For the Department of the Army to be willing to sign a local cooperation agreement, a number of conditions must be met. Essentially, to sign a local cooperation agreement, initial construction funds must have been appropriated, the sponsor must have developed a workable plan to finance its share of the project costs, and the Department must be willing to budget the remaining funds necessary to meet its funding commitments, as reflected in the agreement. As you know, this administration has assigned priority to commercial navigation and flood control projects. It has not been willing to budget for recreation, single purpose water supply, and other kinds of projects not providing mainline benefits. In addition, regardless of project purpose a project must be economically justified at the current discount rate and be consistent with environmental laws and regulations.

ROANOKE CHANNELIZATION PROJECT

Senator WARNER. Mr. Page, a current Corps policy states that where the Federal Government can identify a "single entity, whether public or private, . . . there is no necessity for government involvement."

I must take exception with this policy because, as it has been applied to a flood control project for the City of Roanoke, the cost-sharing requirement for the local sponsor would exceed the act's minimum amount of 35 percent.

Further, the Congress authorized this project according to the Chief of Engineer's report and this Corps policy does not permit the construction of the project as approved by the Congress.

As a result of this policy, I felt it necessary to correct this situation in the fiscal year 1988 Energy and Water Development Appropriations bill.

I would like the Corps to reevaluate this policy and reimburse the Roanoke Memorial Hospital for the flood-proofing they are currently performing and to enter into local cooperative agreement with the city that provides for Federal participation in all aspects of the project.

Mr. PAGE. We are currently reviewing the national policy which was applied to the project for the Upper Roanoke River Basin. As you know, the Army has not recommended including floodproofing for the hospital and the sewage treatment plant in the project unless local interests agree to pay all incremental design and construction costs. Since the work would only protect these two facilities, and since there are no problems with allocating costs among beneficiaries, this work could be accomplished entirely by the facility owners.

Even if the national policy is changed, the Department of the Army is currently without the authority to provide the reimbursement requested. Section 215 of the Flood Control Act of 1968 authorizes the Secretary of the Army to credit or reimburse local sponsors for construction work undertaken at authorized projects. However, only work commenced after execution of a section 215 agreement would be eligible for credit or reimbursement, and the cost of the proposed work could not exceed \$3 million.

COST-SHARING, LEVISA AND TUG FORKS (HAYSI AND GRUNDY)

Senator WARNER. The Corps of Engineers has issued an interim final rule on the cost-sharing requirements for flood control projects under the Ability to Pay provision of the Omnibus Water Resources Act.

The Congress recognized the importance of flood control projects in protecting human life and the economic structure of small communities.

The Ability to Pay provision was intended to ensure that no area would be denied flood protection simply because they could not afford to participate.

However, under the Corp's proposed rule, projects under the Levisa and Tug Forks of the Big Sandy River in Virginia would be denied any relief under this rule. Identical projects in as severely economically depressed regions of Appalachia would benefit from a reduction in the 25 percent cost-sharing requirement.

In 1981, the Congress recognized the compounding effects of the devastating flooding and the economic difficulties of this tri-state region and authorized these projects without regard to the Corps benefit-cost analysis.

I would simply ask you, Mr. Page, to reconsider the impact of this policy on the Levisa and Tug Forks projects and consider treating all projects under this authority in the same manner.

If this policy remains as drafted the small communities in the Southwest portion of Virginia, Haysi in Dickenson County and Grundy in Buchanan County, will not be able to afford the 25 percent contribution and the result will be leaving this region unprotected from the ravages of flooding.

Mr. PAGE. The interim final rule reduces the non-Federal cost share of a flood control project when all of the following conditions are met:

(a) the economic benefits are relatively low and therefore cannot be expected to generate resource savings to help pay the non-Federal share;

(b) the income of the project area is low relative to the U.S. average; and

(c) the income of the state(s) where the project beneficiaries are located is low relative to the U.S. average.

Most of the separable elements of the Levisa and Tug Forks project meet all three conditions, since they are in poor regions of West Virginia or Kentucky. If the project benefits are relatively low, the non-Federal share for the Haysi project also may be reduced, since most of the beneficiaries are in Kentucky. On the other hand, the Grundy project is physically located in Virginia and provides benefits to Virginia citizens. Since per capita income in the State of Virginia exceeds the national average, the Grundy project is not eligible for a reduction in the non-Federal cost share.

The decision to include State income as a factor in our formula is based on our view that local sponsors should look to the State as well as to the Federal Government for financial assistance when local resources are limited. Because of its high income base, Virginia should be in a better position to provide this help than either Kentucky or West Virginia.

Senator DIXON. We thank you. This hearing is concluded.

[Whereupon, at 3:07 p.m., the committee was adjourned.]

[The nomination of Robert W. Page was reported to the Senate by Senator Sam Nunn on December 15, 1987, with the recommendation that the nomination be confirmed. The nomination was confirmed by the Senate on December 17, 1987.]

NOMINATION OF KENNETH P. BERGQUIST TO BE ASSISTANT SECRETARY OF DEFENSE FOR SPECIAL OPERATIONS AND LOW INTENSITY CONFLICT

THURSDAY, DECEMBER 10, 1987

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The committee met, pursuant to notice, at 9:37 a.m., in room SR-222, Russell Senate Office Building, Senator Sam Nunn (chairman) presiding.

Present: Senators Nunn, Kennedy, Dixon, Warner, Thurmond, Humphrey, Cohen, Symms, and McCain.

Staff present: Arnold L. Punaro, staff director; Carl M. Smith, staff director for the minority; Jeffrey H. Smith, general counsel and Patrick A. Tucker, minority counsel; Robert E. Bayer, Sherri Wasserman Goodman, George K. Johnson, Jr., Ronald P. Kelly, James R. Locher III, David S. Lyles, Michael J. McCord, Frederick F.Y. Pang, and Ann Elise Sauer, professional staff members; Lori Jackson and Pamela G. Powell, staff assistants.

Also present; Jeffrey B. Subko, assistant to Senator Exon; William J. Lynn, assistant to Senator Kennedy; Charles C. Smith, assistant to Senator Dixon; Milton D. Beach, assistant to Senator Glenn; Terrence Lynch, assistant to Senator Shelby; William J. Wight, assistant to Senator Warner; Christopher Mellon, assistant to Senator Cohen; Mark J. Albrecht, assistant to Senator Wilson; Alan Ptak, assistant to Senator Gramm; Samuel J. Routson, assistant to Senator Symms; and Patrick A. Putignano, assistant to Senator McCain.

OPENING STATEMENT OF SENATOR SAM NUNN, CHAIRMAN

Chairman NUNN. The committee will come to order. The Armed Services Committee meets this morning to consider the nomination of Mr. Kenneth P. Bergquist to serve as the first Assistant Secretary of Defense for Special Operations and Low Intensity Conflict.

On behalf of the committee, I extend a warm welcome to you, Mr. Bergquist. We are glad to have you here. I understand that Senator Simpson will be here in a few minutes. And when he comes, we will defer to him. And I know he will want to give you an introduction.

I understand your wife, Jane, is in back of you there this morning. We are pleased to have you here this morning. Welcome.

The Assistant Secretary position is one in which this committee has particular interest. Last year under the outstanding leadership of Senator Cohen, this committee formulated legislation to reform and reorganize special operations and low intensity conflict capabilities, policies, and programs.

Key among the reorganization initiatives was the establishment of the position of Assistant Secretary for Special Operations and Low Intensity Conflict. I want to take this opportunity to commend Senator Cohen on the wisdom of his recommendations in last year's legislation.

We had originally, and I must say I was tending toward this, planned to go with a sense of the Congress legislation, particularly because of the reorganization act. But events of the last 13 months have clearly demonstrated the need for the forceful legislation that Senator Cohen proposed and which most of us here supported.

Those of us who have closely followed this issue understand and appreciate the valuable contribution that Senator Cohen has made. Progress on implementing last year's legislation has been monitored by our subcommittee on projection forces and regional defense led by Senator Kennedy and Senator Cohen.

I think it is particularly appropriate, Senator Kennedy, that you have assumed this responsibility because President John Kennedy recognized the importance of unconventional forces and gave very high priority to their development.

Unfortunately, that vision that he had years ago has not been sustained, as it should have been. I know that Senator Kennedy shares President Kennedy's commitment to developing these increasingly vital capabilities, particularly in the world we live in today.

So the committee is very fortunate to have the leadership of both Senator Kennedy and Senator Cohen in focusing on these issues.

There is a general perception on Capitol Hill, I think also in the defense academic community, and even within parts of the Pentagon itself, that the performance of the Department of Defense in implementing last year's law has been poor.

The only bright spots were the establishment of the U.S. Special Operations Command and the appointment of a very capable officer, General Lindsay, as the commander. Elsewhere, there were early indications of bureaucratic resistance.

Four months into the implementation effort, six members of the Pentagon's own special operations policy advisory group criticized the lack of progress. In commenting on the Secretary's implementation report to the Congress, these distinguished experts wrote to Secretary Weinberger that the report's "overall tenor is embarrassingly and disappointingly tentative."

In April testimony before the Projection Forces Subcommittee, Noel Koch, a former defense official responsible for special operations policy during much of the Reagan administration, had harsh criticism.

He stated, and I quote Mr. Koch:

Let me sacrifice diplomacy to directness, and say that the Department of Defense has done everything possible to circumvent the will of the Congress as represented in this legislation, and to subvert the legislation itself.

Three months later the situation had not changed. In July Don Latham, Assistant Secretary of Defense for Command, Control and Communications and Intelligence, wrote to Deputy Secretary Taft that, "implementation has not only been slow but almost non-existent."

It is clear that there are problems in the Department of Defense's implementation of the law. In considering the nomination of Mr. Bergquist to serve as Assistant Secretary of Defense for Special Operations and Low Intensity Conflict, the committee must, by reason of the bureaucratic obstacles that are delaying or blocking full and effective implementation, give careful consideration to several questions.

First, the question of whether Mr. Bergquist has the experience to win the difficult and bureaucratic battles that lay ahead and to conceptualize sound approaches in these special warfare areas.

On this latter point, Mr. Bergquist's experience in low intensity conflict will be of particular interest to the committee.

Second, does Mr. Bergquist have the commitment to implementing these reforms and re-organization mandated by law? The defense community has been divided between those who are committed to genuine security requirements and those who have not been motivated along the same line.

The third question relates to the attitudes of the special operations community. There is opposition in that community to this nomination. Given the enormous challenges of the new position, we will have to ask serious questions about that opposition.

Whether it is well-founded, whether it is fair and objective, and whether we should accede to the wishes of the President in this case or listen carefully to those who oppose the nomination.

So the committee looks forward to examining these and other important questions with Mr. Bergquist this morning. The committee will also have the opportunity to receive testimony from outside witnesses this afternoon, as requested by Senators Kennedy and Cohen, the chairman and ranking minority members of the subcommittee.

Before we receive testimony from Mr. Bergquist, Senator Warner, do you have any opening statement?

Senator WARNER. Yes, Mr. Chairman. I join you in welcoming this nominee and his wife this morning. I have had the opportunity to speak with them on several occasions.

To the extent that this position calls for an individual who has proven his courage in battle, then there are few that can top the distinguished combat record of our nominee this morning.

In that vein, I would like to include in the record at this point a statement by my colleague, Mr. Tribble of Virginia, speaking on behalf of our constituent nominee.

Chairman NUNN. Without objection.

[The statement by Senator Tribble follows:]

PREPARED STATEMENT OF SENATOR PAUL S. TRIBBLE

Mr. Chairman, I want to express my unqualified support for the President's nominee for Assistant Secretary of Defense for Special Operations and Low Intensity Conflict, Mr. Kenneth Bergquist. As the committee is aware, this is a new

position established this year to provide a focus of executive leadership for the special operations forces of the Department of Defense.

I would point out to the committee that the President has chosen a distinguished son of the Commonwealth of Virginia for this new and important position in the Department of Defense. As a resident of Virginia off and on since birth, Ken has dedicated himself to a lifetime of service in behalf of our country.

After reviewing Ken's background and experience, I cannot conceive of anyone better qualified to address the challenges that face our Nation.

Ken graduated from Stanford University in 1967 and entered upon military service as a Regular Army infantry officer. He served two separate 1-year tours in Vietnam, serving as a rifle platoon leader in the 173d Airborne Brigade, an advisor to a battalion of the Vietnamese Airborne Division, and as an airmobile rifle company commander in the First Cavalry Division. While serving in Vietnam, Ken was awarded the Silver Star, six Bronze Stars, three Air Medals and various other awards for both valor and achievement. In addition, Ken received two Purple Hearts for wounds received in combat.

Ken then returned to Virginia to seek admission to the Virginia bar and continue his service to this Nation as an operations officer with the Central Intelligence Agency. Ken worked as a special operations specialist for the agency for 2 years.

Ken left the CIA to take a position with my distinguished colleague from Wyoming, Senator Alan Simpson. Ken served both on Senator Simpson's personal staff and later as chief counsel and staff director of the Senate Veterans' Affairs Committee.

Ken left the Veterans' Affairs Committee to work for my good friend and fellow Virginian Jack Marsh, the Secretary of the Army. Ken served 2 years as Deputy Assistant Secretary of the Army for Reserve Affairs and Mobilization and then 3 years as Deputy Assistant Secretary of the Army for Readiness Force Management and Training. During this period of time, he was extensively involved in the revitalization of Army Special Operations Forces.

Ken left the Department of the Army in 1986 and is presently a Deputy Assistant Attorney General in the Office of Legislative Affairs in the Department of Justice.

Ken provides a mixture of experience to the establishment of this new office. He is a citizen-soldier with a distinguished combat record. He has broad special operations experience, he is an attorney and quite sensitive to the legal implications of special operations activities, he has had 5 years of high level experience within the Department of Defense, and finally, he understands the role of the Congress in public policy. It is a rare combination of talents and experience.

Senator WARNER. Further, Mr. Chairman, I would like to include in full a letter from the Secretary of Defense addressed to our committee through our distinguished chairman, dated as of December 9.

Chairman NUNN. Without objection, that will be part of the record.

[The information referred to follows:]

THE SECRETARY OF DEFENSE,
Washington, DC, December 9, 1987.

Hon. SAM NUNN,
Chairman, Committee on Armed Services,
U.S. Senate, Washington, DC.

DEAR SAM: I would like to take this opportunity to express my commitment to the full implementation of the Special Operations/Low Intensity Conflict (SO/LIC) legislation enacted by the Congress last year. I have discussed this matter with several interested Members of Congress, and have listened to their concerns about the implementation of this legislation by the Department of Defense. I share their sense of frustration with the length of time involved in implementing this type of major reorganization. In addition, I share the basic premise behind this legislation, that low intensity conflict is the form of warfare we are most likely to face and that more emphasis should be given to it.

I would like to address several of our joint concerns. First, Program 11 is being implemented. However, I intend to review it to ensure that we have more than the appearance of compliance, and to preclude the Commander-in-Chief of the Special Operations Command's exclusion from any aspect of the program. Second, the Charter for the Assistant Secretary of Defense (SO/LIC) is in final draft form. I will

review this Charter to ensure that it reflects both the letter and spirit of Congressional intent.

Third, the decision on the location of the Office of the Assistant Secretary of Defense (SO/LIC) is under review. I agree that it ought to be located in the Pentagon; however, office space in the building is extremely limited. I will see what can be done. Finally, the location of the U.S. Special Operations Command in Florida appears to be working out to the satisfaction of General Lindsay. The selection of MacDill AFB was an expedient decision, and may have to be revisited in the future. General Lindsay's views will play a key role in this matter.

I want the Committee to know that I fully support Kenneth Bergquist's nomination to be the Assistant Secretary of Defense (SO/LIC). Secretary Weinberger consulted with me when the nomination was being considered, and I urged him to select Ken. I know Ken Bergquist very well. He is an able individual, whose background in special operations qualifies him for the position. He has been a consistent advocate for the importance of special operations forces, and he is enthusiastic about the prospect of serving as the Assistant Secretary for SO/LIC should he be confirmed. I believe it is important to fill this vital position as soon as possible, as it provides a single focal point for ensuring the implementation of the reorganization consistent with the intent of Congress.

I look forward to continuing to work together on this important matter.

Sincerely,

FRANK CARLUCCI.

Senator WARNER. I would like to read the concluding paragraphs, which I think unequivocally clarify the position of the President and the Secretary of Defense with respect to the nominee.

I quote:

I want the committee to know that I fully support the Kenneth Bergquist nomination to be Assistant Secretary of Defense. Secretary Weinberger consulted with me when the nomination was being considered, and I urged him to select Ken.

I know Ken Bergquist very well. He is an able individual whose background in special operations qualifies him for the position. He has been a constant advocate for the importance of special operations forces, and he is enthusiastic about the prospect of serving as the Assistant Secretary for this position, should he be confirmed by the Senate.

I believe it is important to fill this vital position as soon as possible, as it provides a single focal point for insuring the implementation of the re-organization consistent with the intent of Congress.

I look forward to continuing to work together on this important matter and with the committee.

Signed, the Secretary of Defense, Frank Carlucci. Thank you, Mr. Chairman.

Chairman NUNN. Thank you very much, Senator Warner. I do not know whether the members of the committee have opening statements. We welcome them if they do.

Senator THURMOND. Mr. Chairman, I have to go to another meeting, if you will just give me 1 minute.

Chairman NUNN. I will be glad to.

Senator THURMOND. Mr. Chairman, I would like to welcome Mr. Bergquist to the committee today as the President's nominee for this important position.

I have known Mr. Bergquist for a number of years and worked with him when he was on the staff of the Internal Affairs Committee. He has an outstanding record of public service, and is a highly-decorated veteran of the Vietnam war. He is a very capable young man, and I am pleased to support him for this post.

Chairman NUNN. Senator Kennedy.

Senator KENNEDY. Mr. Chairman, I would like to make my statement part of the record. Mr. Chairman, I want to note we look at this nomination from a position of having seen important progress

in the development of special operations capabilities. I visited MacDill on two different occasions, most recently with General Lindsay. And it is impressive what is being assembled under the unified command there.

But this nominee faces a very heavy burden because he is the one that is really going to establish the tone for special operations. He is really going to have to set the course for this extremely important and significant position, which was originated by legislation of Senator Cohen and Senator Nunn.

I think all of us have to look at both his experience, his commitment, the thought process he has given to special operations, special forces, his commitment in terms to the purposes of this legislation, and the support he commands within the whole special forces, special operation community. That is a specialized community. It should not be able to exercise a veto, but its views should be considered. The special operations community has spent a good deal of time thinking about some of these issues, and has been effective in giving advice and guidance in terms of our national security interests.

Support within this community also is important because the nominee is going to have to be effective in dealing with the bureaucracy that exists; a fact I know all of us who have supported the Cohen-Nunn legislation recognize is a reality. This puts a very special burden on whoever is nominated for this position.

[The prepared statement of Senator Kennedy follows:]

PREPARED STATEMENT OF EDWARD M. KENNEDY

I wish to join our distinguished chairman and others in welcoming Mr. Bergquist before the committee. He has been nominated to fill a crucial new position in the Department of Defense, that of Assistant Secretary of Defense for Special Operations and Low Intensity Conflict. We look forward to hearing his views and qualifications for this important post.

Last year, under the leadership of Senators Cohen and Nunn, the committee initiated legislation mandating a Pentagon reorganization of both military and civilian structures dealing with special operations and low intensity conflict.

The military reorganization has proceeded well. The Special Operations Command was established last spring at MacDill Air Force Base in Florida. The commander-in-chief, General Lindsay, is pulling together the necessary staff and organizational resources into a coherent operation. And now that the Navy SEALs have been assigned to the command, he has the forces necessary to perform his mission effectively.

Unfortunately, the progress on the military side is not matched on the civilian side. It has been over a year since the reorganization was enacted, but the charter for the new assistant secretary has not yet been approved. The major force program category for special operations was established only in the last month and will not be fully implemented for at least another year.

Because of the inertia in implementing the legislation, the committee is paying particular attention to this nomination. It is clear that we need to fill this position with someone who can break the bureaucratic logjam.

That means a nominee with experience in special operations and low intensity conflict, with a commitment to implementing the letter and the spirit of the reorganization. The nominee also needs broad support within the special operations community, to be its leader in the Pentagon.

This is the context in which we will consider Mr. Bergquist's nomination. The need is for an experienced professional, a strong leader, and a forceful advocate. Given the importance of this position, we should accept no less.

Chairman NUNN. Senator Cohen is next.

Senator COHEN. Thank you, Mr. Chairman. I want to welcome Mr. Bergquist and his wife today, and join you in that welcome, along with the comments by Senator Warner.

I do not think there is any question about this nominee's bravery or valor in battle. Certainly if that were the test, there would be no serious question about this nominee's confirmation probabilities.

But that is not the only question that we have to consider. And frankly it has to be within the context of what has taken place during the past year and a half or so.

You mentioned, Mr. Chairman, the fact that we passed legislation that at one time we considered to make non-binding. A sort of sense of the Senate resolution that this is the direction we should move in.

And then we had a hearing, or meetings, with individuals who were associated with the Grenada rescue mission. And after listening to that evidence or testimony, it persuaded you and me and the other members of the committee that something more than a sense of the Senate resolution was required. Something to shake the Pentagon from business as usual.

I think what has taken place since we adopted the legislation has given proof to that fact, that there has been a recalcitrance on the part of the Defense Department to fully implement the law that was passed.

I think you cited Mr. Latham, if you did not get his full or at least partial quote, where he said many people in the DOD consider these amendments which have now been enacted into law onerous and therefore implementation has not only been slow but almost non-existent.

In short, we had the admission by a very senior official that the Defense Department was virtually ignoring the law. So I think that is one of the reasons why we are giving such special attention to the nominee, because of the position of the Pentagon in the past of opposition to legislation, once the legislation is passed.

Foot dragging, doing everything conceivably possible to delay, and not really give it the full force and effect of law. So I think that, Mr. Chairman, I am disappointed in what has taken place to date in terms of the administration moving forcefully on this.

I understand there are bureaucratic reasons for the opposition, and I think Mr. Bergquist has probably talked about that in the past. Kind of, how bureaucracy can strangle a proposal, even after it has been passed into law.

But even though I am skeptical about the commitment on the part of the administration to move forward, I am still optimistic because we have to.

And we have serious areas that are virtually about to erupt in flames. In the Philippines, parts of Asia, and it is going to require attention on low intensity conflict as well as special operations.

I have a formal statement to submit for the record. But I do appreciate your holding the hearing. I look forward to hearing Mr. Bergquist's testimony this morning.

[The prepared statement of Senator Cohen follows:]

PREPARED STATEMENT BY SENATOR WILLIAM S. COHEN

Mr. Chairman, I would like to join you in welcoming our witness and in reviewing the context of this hearing.

Last year, Congress took the extraordinary step of establishing in law the position for which Mr. Bergquist has been nominated. I say "extraordinary," because the legislation passed by Congress was far-reaching and in some respects unprecedented.

Originally it had been my intent, and I know that of Senator Nunn, to offer non-binding legislation in the hope that voluntary action would be taken by the Administration to place a high-level focus on unconventional forces and missions. The Pentagon, however, was determined to resist changes to the status quo, despite our bleak record in coping with terrorism and insurgency, despite the increasing threat to Western interests from these unconventional threats, despite the conclusions of an exhaustive military report on these problems, despite the recommendations of the Secretary of Defense's own Special Operations Policy Advisory Group, and despite the long history of previous attempts at non-legislative reform, which date back to President Kennedy's Administration in the early sixties. In the end, I think the conclusion was inescapable, that in the absence of binding legislation, it would soon be "business as usual in the Pentagon."

That conclusion has been confirmed, I believe, by the recalcitrant manner in which the Pentagon has responded to its mandate from Congress. As Senator Nunn has noted, if there was any doubt on this score, it was erased by former Assistant Secretary of Defense Donald Latham in his memo to the Deputy Secretary of Defense, in which he stated, "Many people in DOD consider the amendments (which have now been enacted into law) onerous, and therefore implementation has not only been slow, but almost nonexistent." In short, by the admission of one of its own senior officials, the Defense Department has disregarded the law.

So I think we have to give this nomination special scrutiny. Not only is the position for which Mr. Bergquist has been nominated a senior and sensitive position within our government, it is also a leadership position for a new office that faces tough opposition from an entrenched bureaucracy. In that regard, I think it is worth quoting a paragraph from a letter I received from General Robert C. Kingston and Col. John M. Collins, two recognized experts on special operations:

"On-the-job training is not advisable. The first ASD SO/LIC should be competent on confirmation day for at least three reasons: delays in the selection process leave little more than one year to serve at best; the designee will establish policies, procedures, priorities, and precedents that successors may find difficult to change; and he must oversee an infant special operations command (SOCOM), whose Commander in Chief must still rely on a staff with little SO/LIC experience."

Despite the lack of progress to date it remains my hope that the legislation Congress enacted last year can be fully implemented in order to:

- (1) Provide central direction and close civilian oversight of U.S. special operations forces and related activities;
- (2) Provide civilian decisionmakers with a diversity of views and a repository of expertise regarding terrorism and insurgency;
- (3) Improve interagency planning and coordination for coping with these threats, and;
- (4) Enhance U.S. special operations capabilities in a number of areas, including: Joint doctrine and training; intelligence support; command and control; budgetary authority; personnel management, and; planning.

The way things are going, I am not optimistic that these objectives can be achieved. At the same time, I think recent events have reconfirmed the need for improvements in these areas:

Firstly, the deepening U.S. involvement in the Persian Gulf conflict has prompted renewed threats of terrorist attacks against Americans.

Secondly, the Communist insurgency in the Philippines is gaining momentum. I think that the office of the new Assistant Secretary, together with the NSC Coordinating Board also established under this law, can play an important role in helping our government become more effective in providing assistance to the government of President Corazon Aquino.

Thirdly, since this legislation was enacted, evidence has surfaced which indicates that we have had serious abuses of authority and mismanagement among several elite U.S. special operations units. Rather than attempting to outline these problems, which seem almost to be systemic in nature, I would simply ask that several recent articles be included in the record at the conclusion of my remarks. I think it is fair to say, however, that if we are going to retain these capabilities for conduct-

ing special operations, and I think we must, there is a real need for greater civilian oversight.

So I think it is clear that the stakes are high and that a great deal remains to be done. The question before us today is whether Mr. Bergquist has the qualifications and commitment necessary to help resolve these problems.

Chairman NUNN. Thank you very much, Senator Cohen. Mr. Bergquist, we would be delighted to hear from you with any opening comments you would like to make.

I would emphasize what Senator Cohen said. You are going to have a lot of questions and a lot of testimony and a lot of attention given this hearing. I do not think you or your family should take it personally.

You are caught in a situation where there is a great deal of frustration with the Department of Defense in this area. That is the nature of the process. So I would say that the tough questions we will be asking will not be a personal reflection.

And I know, as Senator Warner pointed out, your splendid background and your combat record. And we all are grateful to you for your service to the country. So with that—

Senator WARNER. Mr. Chairman, I wonder if I could just add one further observation.

The chairman and I, together with other members of the committee, from time to time reviewed with Mr. Carlucci his transition from the Weinberger administration to the Carlucci administration.

In at least one instance, a nominee pending before the Senate was withdrawn at the request of the Secretary of Defense. The Secretary of Defense quite easily could have withdrawn this one in the face of certain opposition he was aware of at the time he took over.

But instead, as confirmed by the letter that I read this morning, he made a reappraisal, a very clear decision that this nominee was his choice. And determined that his first appointment, that is confirmation appointment, as Secretary of Defense may well be controversial. But he wanted it. And I think that background is on the point.

Chairman NUNN. Thank you, Senator Warner.

[The nomination reference of Kenneth P. Bergquist follows:]

NOMINATION REFERENCE

AS IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
June 9, 1987.

Ordered, that the following nomination be referred to the Committee on Armed Services:

Kenneth P. Bergquist of Virginia, to be an Assistant Secretary of Defense, vice Chapman B. Cox, resigned.

[The biographical sketch of Kenneth P. Bergquist, which was transmitted to the committee at the time of the nomination was referred follows:]

BIOGRAPHICAL SKETCH OF KENNETH P. BERGQUIST

Professional experience. 1986 to present.

Deputy Assistant Attorney General, Office of Legislative Affairs, Department of Justice, Constitution Ave and Tenth St NW, Washington, D.C. 20530

Responsible for the development and execution of strategy to achieve passage of legislative initiatives and to further the legislative interests of the Department. Also responsible for the preparation of all Federal judicial nominees for individual Senate confirmation hearings.

1983-1986. Deputy Assistant Secretary of the Army (Readiness, Force Management and Training), Department of the Army, Washington, D.C. 20310.

Responsible for executive leadership and policy development in the management of the Army's military and civilian manpower programs to include training and force structuring. Additionally, responsible within the Secretariat for directing efforts to enhance the capabilities and readiness of Army Special Operations Forces.

1982-1983. Deputy Assistant Secretary of the Army (Reserve Affairs and Mobilization), Department of the Army, Washington, D.C. 20310

Responsible for executive leadership and policy development in the management of the Army National Guard and the Army reserve and in the development of mobilization and industrial policies necessary to support a major deployment of Army forces. Also required to make frequent public appearances in behalf of the Secretary of the Army.

1981-1982. Chief Counsel and Staff Director, Committee on Veterans' Affairs, United States Senate, Washington, D.C. 20510

Responsible for the execution of legislative oversight of the Veterans Administration and for the development of legislation affecting veterans of the United States Armed Forces and their families. Supervision of a professional staff of twenty-two personnel and the execution of a Committee annual operating budget of \$1 million.

1980-1981. Minority Counsel and Staff Director, Committee on Veterans' Affairs, United States Senate, Washington, D.C. 20510

Responsible for coordinating the Minority Members' interest in the functions of the Committee as described immediately above. Includes supervision of a professional staff of seven personnel.

1979-1980. Legislative Counsel, Office of Senator Alan K. Simpson, United States Senate, Washington, D.C. 20510

Responsible for the analysis of legislation concerning foreign affairs, foreign trade, intelligence, defense, taxation, and veterans affairs. Advise and assist Senator Simpson in the execution of his legislative responsibilities during the 96th Congress.

1977-1979. Operational Intelligence Officer, The Central Intelligence Agency, Washington, D.C. 20505

Operational and supervisory responsibility for a variety of intelligence collection and paramilitary activities requiring extensive foreign travel.

Bar membership. State of Virginia.

Educational background. University of Texas School of Law, Austin, Texas

Juris Doctor degree with honors, 1977.

Stanford University, Stanford, California

Bachelor of Arts degree, 1967.

Military experience. Second Lieutenant through Major, Infantry, United States Army Duty assignment: United States Modern Pentathlon Team; Rifle Platoon Leader, 173rd Airborne Brigade; Battalion Advisor, Vietnamese Airborne Division; Rifle Company Commander, 1st Cavalry Division (Airmobile); and Special Forces Company Commander, 11th Special Forces Group (Airborne).

Decorations: Silver Star, six Bronze Stars, two Purple Hearts and various other awards for valor and service.

Personal. Born: July 12, 1944. Married to: Jane Elise Plewes of San Antonio, Texas. Children: Kristen Elise (1974) and Katherine Jane (1980).

[The Committee on Armed Services requires all individuals nominated from civilian life by the President to positions requiring the advice and consent of the Senate, and certain senior military officers as determined by the committee, to complete a form that details the biographical, financial and other information of the nominees. The form executed by Kenneth P. Bergquist in connection with his nomination follows:]

UNITED STATES SENATE COMMITTEE ON ARMED SERVICES

Room SR-222

Washington, DC 20510-6050

(202) 224-3871

COMMITTEE ON ARMED SERVICES FORM

BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF
NOMINEES

INSTRUCTIONS TO THE NOMINEE: Complete all requested information. If more space is needed, use an additional sheet and cite the part of the form and the question number (i.e. A-9, B-4) to which the continuation of your answer applies.

PART A—BIOGRAPHICAL INFORMATION

INSTRUCTIONS TO THE NOMINEE: Biographical information furnished in this part of the form will be made available in committee offices for public inspection prior to the hearing and will also be published in any hearing record as well as made available to the public.

1. NAME: (Include any former names used.)

Kenneth Paul Bergquist, Jr. (Although I do not routinely use the "Jr.")

2. Position to which nominated:

Assistant Secretary of Defense for Special Operations and Low Intensity Conflict.

3. Date of nomination:

June 9, 1987.

4. Address: (List current place of residence and office addresses.)

Residence: [Note: nominee responded and the information is contained in the committee's executive files.]

Office: Office of Legislative Affairs, Department of Justice, Washington, D.C. 20530.

5. Date and place of birth:

July 12, 1944, Washington, DC.

6. Marital Status: (Include maiden name of wife or husband's name.)

Married, Jane Elise (Plewes) Bergquist.

7. Names and ages of children:

Kristen Elise Bergquist, age 12; Katherine Jane Bergquist, age 6.

8. Education: List secondary and higher education institutions, dates attended, degree received and date degree granted.

University of Texas, September 1974 thru May 1977, JD (1977).

Stanford University, June 1964 thru March 1967, BA (1967).

U.S. Naval Academy, June 1962 thru June 1964, none.

Concord High School, Concord, MA, March 1960 thru June 1962, HS (1962).

Phillips Academy, Andover, MA, September 1958 thru March 1960, none.

9. Employment record: List all jobs held since college or in the last 10 years, whichever is less, including the title or description of job, name of employer, location of work, and dates of employment.

1986 to present. Deputy Assistant Attorney General, Office of Legislative Affairs, Department of Justice, Constitution Ave and Tenth St NW, Washington, D.C. 20530.

Responsible for the development and execution of strategy to achieve passage of legislative initiatives and to further the legislative interests of the Department. Also responsible for the preparation of all Federal judicial nominees for individual Senate confirmation hearings.

1983-86. Deputy Assistant Secretary of the Army (Readiness, Force Management and Training), Department of the Army, Washington, D.C. 20310.

Responsible for executive leadership and policy development in the management of the Army's military and civilian manpower programs to include training and force structuring. Additionally, responsible within the Secretariat for directing efforts to enhance the capabilities and readiness of Army Special Operations Forces.

1982-83. Deputy Assistant Secretary of the Army (Reserve Affairs and Mobilization), Department of the Army, Washington, D.C. 20310.

Responsible for executive leadership and policy development in the management of the Army National Guard and the Army Reserve and in the development of mo-

bilization and industrial policies necessary to support a major deployment of Army forces. Also required to make frequent public appearances in behalf of the Secretary of the Army.

1981-82. Chief Counsel and Staff Director, Committee on Veterans' Affairs, United States Senate, Washington, D.C. 20510.

Responsible for the execution of legislative oversight of the Veterans Administration and for the development of legislation affecting veterans of the United States Armed Forces and their families. Supervision of a professional staff of twenty-two personnel and the execution of a Committee annual operating budget of \$1 million.

1980-81. Minority Counsel and Staff Director, Committee on Veterans' Affairs, United States Senate, Washington, D.C. 20510.

Responsible for coordinating the Minority Members' interest in the functions of the Committee as described immediately above. Includes supervision of a professional staff of seven personnel.

1979-80. Legislative Counsel, Office of Senator Alan K. Simpson, United States Senate, Washington, D.C. 20510.

Responsible for the analysis of legislation concerning foreign affairs, foreign trade, intelligence, defense, taxation, and veterans affairs. Advise and assist Senator Simpson in the execution of his legislative responsibilities during the 96th Congress.

1977-79. Operational Intelligence Officer, The Central Intelligence Agency, Washington, D.C. 20505.

Operational and supervisory responsibility for a variety of intelligence collection and paramilitary activities requiring extensive foreign travel.

10. **Government experience:** List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above.

Other than the service listed previously, I served as an Infantry Officer in the United States Army during the period April 1967 thru July 1974.

11. **Business relationships:** List all positions currently held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution.

During 1986, my wife published a Tennis Calendar under the name: Match Point Productions, P.O. Box 1409, McLean, VA 22101.

12. **Memberships:** List all memberships and offices currently held in professional, fraternal, scholarly, civic, business, charitable and other organizations.

Virginia State Bar, 801 Main Street, Richmond, VA 23219, (804) 786-2061. I have been a member since 1977 and my ID Number is 017060.

Tuckahoe Recreation Club, 1814 Great Falls Street, McLean, VA 22101, (703) 356-1205. I have been a member for seven years. This is a community swim and tennis club. Membership Number 4012.

McLean Racquet and Health Club, 1472 Chain Bridge Road, McLean, VA 22101, (703) 356-3300. I have been a member of this indoor tennis and sport club for three years.

D.C. Masters Swim Club, c/o David McAfee, 510 E. Broad Street, Falls Church, VA 22046, (703) 532-7775. I have been a member of this local competitive masters swimming team for 7 years.

13. **Political affiliations and activities:**

(a) List all offices with a political party which you have held or any public office for which you have been a candidate.

None.

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 5 years.

None.

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$100 or more for the past 5 years.

None.

14. **Honors and Awards:** List all scholarships, fellowships, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements.

Military Decorations: Silver Star, Bronze Star (6), Meritorious Service Medal, Air Medal (4), Army Commendation Medal (3), Purple Heart (2), Army Achievement Medal and various other service medals.

15. **Published writings:** List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.

[Nominee responded and the information is contained in the committee's executive files.]

16. **Speeches:** Provide the committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated.

[Nominee responded and the information is contained in the committee's executive files.]

17. **Selection:**

(a) Do you know why you were chosen for this nomination by the President?

I presume because I was considered qualified.

(b) What do you believe in your background or employment experience affirmatively qualifies you for this particular appointment?

I have a broad background in federal service that includes military service, special operations experience, legal experience, service as staff member of the Senate, and experience as an official of the Army Secretariat.

18. **Commitment to Testify Before Senate Committees:** Do you agree, if confirmed, to respond to requests to appear and testify before any duly constituted committee of the Senate?

Yes.

COMMITTEE ON ARMED SERVICES FORM

FINANCIAL AND OTHER INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Information furnished in Parts B through F will be retained in the committee's executive files and will not be made available to the public unless specifically directed by the committee.

NAME: Kenneth Paul Bergquist, Jr.

PART B—FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all business connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Has anybody made a commitment to employ your services in any capacity after you leave government service?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Is your spouse employed and, if so, where?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. If confirmed, do you expect to serve out your full term or until the Presidential election, whichever is applicable?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART C—POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients or customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.)

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Do you agree to provide to the committee any written opinions provided by the General Counsel of the agency to which you are nominated and by the Attorney General's office concerning potential conflicts of interest or any legal impediments to your serving in this position?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART D—LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Have you ever been investigated, arrested, charged or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county or municipal law, regulation or ordinance, other than a minor traffic offense? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Have you or any business of which you are or were an officer ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you ever been convicted (including a plea of guilty of *nolo contendere*) of any criminal violation other than a minor traffic offense?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Please advise the committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART E—FOREIGN AFFILIATIONS

1. Have you or your spouse ever represented in any capacity (e.g., employee, attorney, business, or political adviser or consultant), with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. If you or your spouse has ever been formally associated with a law, accounting, public relations firm or other service organization, have any of you or your spouse's associates represented, in any capacity, with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. During the past ten years have you or your spouse received any compensation from, or been involved in any financial or business transactions with, a foreign government or an entity controlled by a foreign government? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you or your spouse ever registered under the Foreign Agents Registration Act? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART F—FINANCIAL DATA

All information requested under this heading must be provided for yourself, your spouse, and your dependents.

1. Describe the terms of any beneficial trust or blind trust of which you, your spouse, or your dependents may be a beneficiary. In the case of a blind trust, provide the name of the trustee(s) and a copy of the trust agreement.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Provide a description of any fiduciary responsibility or power of attorney which you hold for or on behalf of any other person.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, executory contracts and other future benefits which you expect to derive from current or previous business relationships, professional services and firm memberships, employees, clients and customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you filed a Federal income tax return for each of the past 10 years? If not, please explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Have your taxes always been paid on time?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Were all your taxes, Federal, State, and local, current (filed and paid) as of the date of your nomination?

[Note: Nominee responded and the information is contained in the committee's executive files.]

7. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

[Note: Nominee responded and the information is contained in the committee's executive files.]

8. Have any tax liens, either Federal, State, or local, been filed against you or against any real property or personal property which you own either individually, jointly, or in partnership?

[Note: Nominee responded and the information is contained in the committee's executive files.]

(The committee may require that copies of your Federal income tax returns be provided to the committee. These documents will be made available only to Senators and the staff designated by the chairman. They will not be available for public inspection.)

SIGNATURE AND DATE

I hereby state that I have read and signed the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

This 9th day of June, 1987.

KENNETH P. BERGQUIST.

Chairman NUNN. Mr. Bergquist, we will now turn to you.

STATEMENT OF KENNETH P. BERGQUIST, NOMINEE TO BE ASSISTANT SECRETARY OF DEFENSE FOR SPECIAL OPERATIONS AND LOW INTENSITY CONFLICT

Mr. BERGQUIST. Mr. Chairman, I do not have a prepared statement of any sort. I would only like to remark that it is a pleasure for me to appear before this committee.

I have been paying attention as such as I can to the concerns that the Congress has expressed in this area. I believe that Mr. Carlucci has also paid attention to those concerns.

I have talked to him, and I know he is committed to seeing to it that the letter and the spirit of the law, or of the various provisions of law that this committee has passed, will be forcefully implemented. That is the only statement I have, Mr. Chairman.

Chairman NUNN. Thank you. I will just ask a couple of questions and defer the remainder of my time to Senator Kennedy. And then we will move around with, I would say since we have four members here, until we get more, about a 7-minute time clock this morning, unless there is objection, to give people a little bit more time. And we will rotate accordingly.

Mr. Bergquist, I cited in my opening statement a couple of quotes—one by Noel Koch, one by Assistant Secretary Latham—that the Pentagon's implementation of the congressional mandated reform and re-organization of special operations and low intensity conflict has been very poor.

How do you react to that assessment? Do you agree with that assessment? Or do you believe otherwise?

Mr. BERGQUIST. Well, as I am sure you are aware, Mr. Chairman, I have not been with the Department of Defense since that legislation was enacted.

I have been at the Department of Justice, although in the previous 5 years I did work in the Department of the Army. But that was prior to the enactment of the legislation.

What I have been able to gather is from an entirely external view, and I have not been privy to any of the internal processes within the Department of Defense concerning implementation of the legislation.

I would remark that I do not know what has gone in the past, but I can assure you that my commitment is to see to it, if confirmed, that the legislation is, as I stated in my opening remarks, forcefully implemented. And I believe that also is the commitment of Mr. Carlucci.

Chairman NUNN. Are there any parts of that legislation that you would change? That you would advocate changing at this point?

Mr. BERGQUIST. No, Senator. I believe that the legislation should be trial run. And then if we think we have found some kink later on, the administration should come back to the committee with any recommendations for additional legislation.

Chairman NUNN. Senator Kennedy, I yield to you the balance of my time. And then we can rotate around.

Senator KENNEDY. Thank you. You are going to be the principal civilian adviser for the Secretary on Special Operations and Low Intensity Conflict.

So I would like to review with you some of your own military experience dealing with special operations. Do you want to tell us what your experience has been specifically with special operations?

Mr. BERGQUIST. During my active duty period, I was on active duty from 1967 until 1974. My involvement in special operations was fairly limited, other than some specific training in special operations skills.

The majority of that time was spent in what I would call a low intensity conflict situation. I was from the outset trained to operate in a low intensity conflict situation as an infantry commander, and spent two tours in Vietnam.

The first tour as a platoon leader of an airborne infantry rifle platoon. And the second tour was divided between being an advisor to a Vietnamese airborne battalion, and the remainder was as the commander of an air mobile rifle company.

I did not have any special operations involvement during my active duty period, other than becoming Ranger qualified and a parachutist.

When I left active duty and went to law school, I chose to enter the Reserve special forces. In 1974 I began a career which continues to this day as a Reserve officer in special forces, received my special forces training, and was involved in training exercises from that time to the present.

When I left law school, I was contacted by some people that I had known while on active duty who suggested that I should work for the Central Intelligence Agency.

And while in the Central Intelligence Agency, I was employed from 1977 until 1979, I was primarily involved in the special operations element within the agency.

Senator KENNEDY. We will come back to that.

Mr. BERGQUIST. Let me just add one more thing, Senator.

Senator KENNEDY. Basically your duties with the agency involved training other foreign nationals?

Mr. BERGQUIST. I am a little reluctant to answer because I have been criticized by someone in the media for revealing too much about my background in the agency.

But at the risk of criticism, it was training friendly foreign nationals, primarily in three areas. Counter-drug, counter-terror, and anti-terror. And that is really all I should say about it in open session.

Senator KENNEDY. But as I understand your response, you were involved in combat situations in low intensity conflict in Vietnam, but not in special forces operations in Vietnam. You were not associated with them?

Mr. BERGQUIST. No.

Senator KENNEDY. And your training in special operations came as a part of the Reserves. Is that correct?

Mr. BERGQUIST. Yes.

Senator KENNEDY. Have you taken any of the special operations courses? Have you had any opportunity to participate in any of those at Fort Bragg or elsewhere?

Mr. BERGQUIST. Yes. I am a graduate of the Special Forces School in a number of courses. An operations course. That is just a general how you operate in a special operation.

Senator KENNEDY. Where was that?

Mr. BERGQUIST. Fort Bragg. Also, I am a graduate of the special forces military freefall course.

Senator KENNEDY. I am trying to distinguish between training in special forces skills, which we all acknowledge with great admiration, and the training in terms of special operations planning.

What courses did you take that dealt with special forces planning and operations, with their command and control?

Mr. BERGQUIST. I have taken an operations course there. I have taken a psychological operations course at Hurlburt Field. And I believe that is it.

Unfortunately, there are not a lot of special operations operational courses. I believe that is a serious deficiency within our training structure.

Senator KENNEDY. Beyond the skill aspects of the special forces training at Fort Bragg, what other courses did you take in terms of planning operations or command and control?

Mr. BERGQUIST. The only two that I have taken are the Psychological Operations and the Special Forces Operations courses. Those are the only two that I have attended.

Senator KENNEDY. What were those? How many weeks of training are those?

Mr. BERGQUIST. I believe that the Psychological Operations course was a week long. And the Operations course involved a correspondence package first, and they enumerate that in hours, I think it was 300 hours or something like that. And then you had to do a 2 week actual operation. And that was the extent of the course.

As I said, unfortunately, they do not offer anything additional other than those basic Special Forces qualifications. There are no courses for officers beyond that.

Chairman NUNN. Senator Kennedy, my time has expired, which I yielded. Senator Warner.

Senator WARNER. Mr. Chairman, I will follow the same format that you followed. I will just ask one question and yield the balance of my time to my distinguished colleague Mr. Cohen, who has spent a great deal of effort preparing for this hearing.

Mr. Chairman, I think that the committee should take note that we have been joined in the hearing room by the wife of the Secretary of Defense, who I think will become a very vital factor in the role of the life of the Pentagon. There is more to just military affairs there.

There is the need to take care of the families of those who work in the Pentagon, and she is going to be very important in that area.

Speaking about the life of the Pentagon, having spent a little bit of time there, it occurs to me as I look through some of this documentation, there is concern as to whether you can take on the system itself in the Pentagon. You have the unqualified endorsement of the Secretary of Defense, but no matter how strong a factor he may be, and strong a leader, there is bound to be a rear guard action in the Department against the implementation of this law.

My question, the first question, would you be willing to take that on and fight that rear guard action just as hard as you are going to fight to implement the law?

Mr. BERGQUIST. Senator—

Senator WARNER. First, are you aware that it is there?

Mr. BERGQUIST. Senator, I spent 5 years working in the Pentagon. And that is one of the first things that I became aware of. I fortunately have had a 2-year respite, which has given me time to mend my wounds to go back at it again.

I had the distinct pleasure of working here in the Senate and thought that I had known everything about Byzantine involvements until I got to the Pentagon and realized that is where they invented the word "Byzantine."

I have a number of feelings about the bureaucracy in the Pentagon, and ways in which I deal with the issues.

Senator WARNER. The question is, let me repeat it, are you aware that there is a rear guard action that is not fully on board as yet. Now maybe with a new Secretary that will disappear.

Mr. BERGQUIST. Well I think that there is always—

Senator WARNER. And are you willing to take it on?

Mr. BERGQUIST. Yes, Senator I definitely am. There always is a rear guard action, because any time you reallocate turf there is always a resistance to give up what somebody else has had.

Senator WARNER. Now you are talking the language.

Mr. BERGQUIST. And I have fought the turf battles. I have spent many late nights around a table doing it, and I think that I understand how it is done. You do not pick fights, you do not need, you fight only those battles that are important and then you win the ones that you fight.

Senator WARNER. You know that it is there and you are willing to fight it?

Mr. BERGQUIST. Yes sir.

Senator WARNER. That answers my question Mr. Chairman.

I yield my time to the Senator from Maine.

Senator COHEN. Mr. Chairman, now that we have Senator Simpson fresh from his meeting with Mr. Gorbachev, perhaps I should stop here and let him make his opening remarks.

Chairman NUNN. Senator Simpson, we are delighted to have you. We did announce at the beginning of the hearing that you would be testifying on behalf of this nominee. And we have just started the questioning. We have had opening statements, but we will defer at this stage and welcome you before this committee.

I would like for you to offer words of wisdom you have this morning. We will even listen to a few of your jokes if you want.

STATEMENT OF ALAN K. SIMPSON, A U.S. SENATOR FROM THE STATE OF WYOMING

Senator SIMPSON. I told Gorbachev one and that was enough.

Chairman NUNN. How about sharing it with us?

Senator WARNER. How about sharing your joke with us?

Senator SIMPSON. Well, I told him that out in the early days of the west when President Grant sent General Sheridan out there, he said, "go out there and find what is out there. We don't know

who's there, what people are there, and wire back." And so Sheridan went west and he wired back, and he said, "all this country needs is good people and water." And Grant wired back and said "that's all hell needs." [Laughter.]

At this time I inferred that it would be hell to go on with an uncontrolled arms race.

Well Mr. Chairman, I appreciate it, and I just have a brief few remarks. I have known Ken since my arrival here in Washington in 1979. He joined my staff as counsel for, amid other things, national security affairs. And then the Veterans' Affairs Committee, went from Cranston to Simpson to Murkowski to Cranston, a constant triple play of chairmanship. I served there and was proud to do that, and he was my chief counsel and staff director of the Senate Veterans' Affairs Committee when I had the pleasure of serving as chairman. We were involved with a lot of heavy stuff with regard to those organizations and the things that go with the jurisdiction of that committee. And many of whatever successes I had, Mr. Chairman, I think were a direct result of Ken's effectiveness as a consensus builder and motivator and legislative craftsman.

He moved on then to the Pentagon and to the Department of Justice, and now he desires this confirmation as Assistant Secretary of Defense for Special Operations and Low Intensity Conflict. That is an interesting term in itself. I just wanted to say that he certainly has my heartiest recommendation and endorsement. I am very well aware of rather heavy controversy on this controversial position—a controversial nominee. Obviously a sense of competition developed here as to who was to be nominated.

It would have been inevitable that the nomination of any individual, where he had his competitors—the "scorekeepers" have been busy at work on this one. They were. As best I can tell, the competitors fell away or he would not be here. He emerges from this fray of competition and is, I think, ready to take on all your questions. He is ready. And he wants to do it. Some were recommending different decisions for him. But I know him as a pretty able and gutsy guy and he will find out this is going to be a tough haul for him.

So I trust that you will consider, as you determine whether to confirm him in this critically important position, you would just consider the personal aspects of the man. You will not find anything in there that will cause you any concern. He demonstrates a remarkable combination of intellect and experience and prudent judgment to serve at this high level. I originally lured him from the CIA to work on my staff because of his military record and his academic credentials and knowledge of defense and intelligence and foreign relations. I conclude by saying that his service to me, at least, was characterized by very careful research, development of pragmatic alternatives to solving the tough problems and building consensus to achieve resolution of some very hard issues.

His decision to accept the position of Deputy Assistant Secretary of the Army was my loss. He is a man who walks the walk instead of talks the talk. That gets you in trouble here. He is able to delegate as well as assume responsibility and he is a man of great character and integrity. I commend him to your hands and know that

he will receive very fair treatment and I thank you very much for allowing me to come here.

Chairman NUNN. Thank you very much, Senator Simpson. Your endorsement goes a long way in this committee as it does anywhere on the floor of the Senate or anywhere in the Capitol. You are one of our most respected and valued members, and we deeply appreciate your being here.

We told Mr. Bergquist to begin with that there are going to be a lot of tough questions. But he comes here with a background that is not his own doing. We have an awful lot of frustration with the lack of enthusiasm for implementing some very important legislation in this overall endeavor. So that is the background music that Mr. Bergquist faces.

I think what you said about his personal record has been noted very strongly here. So these are not personal matters. There is not personal questioning going on, it is really institutional and relates to one of the most important parts of our military forces.

We appreciate very much your splendid endorsement of Mr. Bergquist. I can assure you that Senator Simpson's support is as fine a support as you could have in this institution, as you already know.

Senator SIMPSON. Mr. Chairman, thank you for your generous remarks. I really do not know the technical aspects of what confronts him, but I wanted to share those personal things, and thank you for that courtesy.

Senator COHEN. Could you tell us whether or not before you leave, since we have now learned that Mr. Gorbachev understands about heaven, does he also appreciate hell?

Senator SIMPSON. He knew what that term was. I do not know if it was biblically though.

Chairman NUNN. Senator Cohen, we will go back to you.

Senator COHEN. Mr. Bergquist, you wrote, either wrote or gave a speech back in 1983 I believe that is the subject of some controversy for the National Defense University Press, right?

Mr. BERGQUIST. Yes, Senator it was remarks. It was not a text speech, it was off three by five cards.

Senator COHEN. That was in the spring of 1983?

Mr. BERGQUIST. I believe it was, yes Senator.

Senator COHEN. I think you expressed at that point and you have expressed since that time your opposition to a statutorily created position, the one that you are now before us as the nominee, in other words, a statutory creation. You believe, I think your rationale is that whenever you have subcabinet level positions that that should be handled within the bureaucracy, not mandated by Congress as a general proposition. That was the essence of why you were opposed to what Mr. Sarkesian was saying at that time.

Mr. BERGQUIST. Well let me first remark that the remarks or the speech that I gave in 1983 did not address in any way the issue of the position of an Assistant Secretary or indeed did it talk about how it should be managed at DOD.

The speech that I gave basically talked about the operational management, not staff management of Special Operations, within the national command structure. And in it in fact, gave unequivocal

cal support to exactly what occurred in the legislative establishment of a unified Special Operations Command.

I was clear and nonequivocal in my support for that concept.

Senator COHEN. I understand. But I think you have made statements since that time, either in letters to Mr. Tuttle or others that basically what you are opposed to was the statutory mandate in the creation of an office such as yours.

Mr. BERGQUIST. I have never written anything to anybody about that. I have made the remark and I will make it right now, if you wish, that it is my belief that, in general, the Congress should be reluctant to mandate organizational changes of a subcabinet nature.

The reason for my opinion is my training as a political scientist, in general there should be enough latitude given to a secretary of a department to be able to organize in order to accomplish the missions of the Department.

That does not mean by any stretch of the imagination that I do not believe that Congress has every right to mandate what organizational changes it desires. And when it does so, it is the sworn duty of every member of the administration to carry out such changes.

Senator COHEN. As I understand what you are saying, you felt that the latitude and flexibility should be given to the administration or to the Secretary to take a plan of action that would be necessary without Congress having to mandate it, is that a fair statement?

Mr. BERGQUIST. I think that is reasonably fair. And when you really want to get right down to it, the whole issue is, if there is a commonality in viewpoint between the Secretary and Congress, it will get done whether or not it is organizationally implemented.

Senator COHEN. Could you tell the committee whether you saw during that period of time between 1983 and 1986 any movement within the Department of Defense, or within your contacts with the Department of Defense, that showed that the Secretary of Defense or the Secretary of the Army or someone within the administration, Mr. Armitage or others, wanted to raise the level of Special Operations and Low Intensity Conflict to one of high visibility, the high advocacy level that this position would achieve?

Mr. BERGQUIST. Yes. I was very fortunate in that I went to work for Mr. Marsh in 1981. And I believe in 1981 the Army specifically proposed the establishment of STRATSERCOM, which is a predecessor at least in concept to what occurred with General Lindsay's new command. Mr. Marsh is an advocate of it, General Myer at the time, who was the chief of staff was an advocate. We did everything we could to convince the defense establishment that that would be a good idea.

Unfortunately I believe it was, it died a slow death in JCS because it did not have the support of the other two services.

Senator COHEN. Well the point I would get at is between 1983 and 1986, very little if anything was done on the subject matter. In fact the Joint Low Intensity Project final report that was filed in 1986 was highly critical, saying we are least prepared to deal with the most likely types of conflicts that we are going to have.

So very little was done if anything between 1983, at the time of your comments, and 1986. And that is why I think people like Noel Koch, and General Scholtes and General Wilson and General Myer and Bill Colby and General Yarborough, General Kinston, Col. Charles Beckwith and others said that without legislation, nothing is going to change.

That is the reason why we had to mandate the creation of this position, because nothing was changing. All that we saw was kind of a repetition of opposition. And that was the reason for this—we do not go around mandating the creation of positions.

Mr. BERGQUIST. I understand Senator.

Senator COHEN. Not just because we think that we know better than the Defense Department. We saw evidence and we heard testimony from witness after witness. Experts that we deal with and dealt with on a regular basis saying something is fundamentally wrong with how we are approaching Special Ops and low intensity conflict for the future.

And that was the reason why Senator Nunn, myself, and others mandated that, because right up to the very end, we were going to make it nonbinding until we came to the conclusion that it is not going to change.

That is why the whole issue of whether or not you are truly committed to making this work has become so visible in your case. And we will talk about it a little bit later in terms of an attitude on the part of those in a position to give you direction, who, as a matter of fact, are not committed to the goals of this legislation.

Mr. BERGQUIST. Well I might remark that while in my service in the Department of the Army as a Deputy Assistant Secretary I was an outspoken advocate for special operations, and I suffered because I was an outspoken advocate. And anybody you want to talk to who served there during that time I am sure can attest to that.

Senator COHEN. My time is up Mr. Chairman, we will come back to it.

Chairman NUNN. Thank you Senator Cohen. Senator Kennedy, it is your recognition on your time.

Mr. BERGQUIST. Senator Kennedy, let me add one thing. It came to me, in your previous question you were asking about what type of training I had in special operations. And you limited your question to just the military. I also had a 6-month intelligence operations course in the CIA followed by a 9 week special operations training course in which we went through all facets of operational—

Senator KENNEDY. If you would be good enough to just list those or maybe we have them.

Mr. BERGQUIST. I am reluctant to list those, because they are not supposed to be acknowledged that they exist.

Senator KENNEDY. We have ways of getting that kind of information so that it can be available to the members. Whatever way, we will leave that.

Mr. BERGQUIST. I unfortunately can't get it, but I am sure that you can, if you request it.

Senator KENNEDY. There is no questions in terms of your own training, in general operation skills, training which you have taken in the special operations forces that you indicated was part of the

training as an airborne officer and infantry commander. And you had considerable experience and courageous experience in Vietnam. And you had training in low intensity conflict in the Reserves. Finally we have the training down in Fort Bragg or in the other kinds of the agencies, whether it has been in the CIA or the Army.

But I would like to find out the extent of the latter. That is one area of your background and experience that I want to explore. We ought to be able to work that out. I could work that out with the staff so that members of the committee have it. We are entitled to have that.

So whatever way you want to provide that.

Mr. BERGQUIST. I will meet with your staff member personally and see to it that he has everything that he wants.

Senator KENNEDY. OK. I would like to go to what experience you might have had in terms of national or theater-level planning for special operations and low intensity conflict.

Mr. BERGQUIST. Well fortunately Senator, the position that I am nominated for does not require me to be a commander. General Lindsay is quite clearly the Unified Commander for Special Operations, he will be the one who operationally plans and executes.

My principal function, if confirmed, is to support him by assuring that the necessary resources and policies are implemented, to see to it that he can effectively function. Now I have had 5 years of doing that in the Department of the Army, and basically seen to it that resources are properly allocated and the necessary policies are implemented in order to see that those resources are properly used.

That, I believe, will be my most important function. Also the function as you specified in law, which is to be the principle advisor to the Secretary of Defense on Special Operations matters. Now I do not intend to be an operational advisor. I intend to be a policy and resource advisor. I would assume that General Lindsay will serve as the operational advisor to the Secretary of Defense.

Senator KENNEDY. Well they will certainly be looking to you for recommendations in terms of organization, structure and planning in terms of operation.

Mr. BERGQUIST. I assure you that I will be more than glad to add my two cents on any operational matter.

Senator KENNEDY. I am trying to find out what experience you have had, such as joint duty assignments or anything of that nature that would give you some special background or experience in those areas.

Mr. BERGQUIST. I served a period of TDY with REDCOM, that is joint service I guess. I served——

Senator KENNEDY. How long was that?

Mr. BERGQUIST. It was approximately 2 months, it was to plan and execute a joint exercise. And I worked at MacDill at REDCOM headquarters. I have also worked at the Department of Defense, I mean Department of the Army——

Senator KENNEDY. What particular operation were you involved in?

Mr. BERGQUIST. It was to do the planning and then execute operation Gallant Hand 74, which was a joint training operation. REDCOM runs joint training operations, or used to while it was in

existence in order to exercise the different components of services in interoperability. And it was an interoperability exercise that was run at Fort Hood, Texas. But I went to MacDill in order to plan it and then went back to Fort Hood to execute.

Senator KENNEDY. I would be interested in what your specific responsibilities were in that.

Mr. BERGQUIST. That is very easy to describe. I worked with another Army and two Air Force officers, and our mission was to write the exercise scenario. Anytime that the military runs an exercise, they write an exercise scenario.

Senator KENNEDY. For the whole operation?

Mr. BERGQUIST. For the whole operation.

Senator KENNEDY. And who were the other two officers?

Mr. BERGQUIST. There were three other officers. There was one intelligence officer.

Senator KENNEDY. Did you have the prime responsibility for that operation?

Mr. BERGQUIST. I was the Army operations officer. There was an Air Force intelligence officer and an Air Force operations officer and an Army intelligence officer. And our mission—

Senator KENNEDY. Who had the prime responsibility for the operation?

Mr. BERGQUIST. I shared, we worked under direction of an Army officer who was the J-3 at REDCOM. Or he was not the J-3 he was J-3T, and that was General Trobaugh. He was a colonel at the time. And he was the one to whom we presented all of our exercise scenarios to.

Senator KENNEDY. Let me go to the issue of multinational coordination. You made some reference to that earlier in response to a question.

Do you have any experience in coordinating special operations and low intensity conflicts with other nations?

Mr. BERGQUIST. Yes, I do.

Senator KENNEDY. Do you want to describe that?

Mr. BERGQUIST. I cannot be very specific, but I would be more than glad to describe it in detail if we went into executive session.

Senator KENNEDY. Well, does it go beyond the teaching foreign troops in various military techniques?

Mr. BERGQUIST. Yes.

Senator KENNEDY. It goes beyond teaching various U.S. military techniques?

Chairman NUNN. Senator Kennedy, I suggest that we have a brief executive session at the end of this one and go into that so that we have a complete record. I think the witness is very uncomfortable with this area, which is understandable.

So I would suggest that we defer those to executive session.

Senator KENNEDY. All right. Have you done any professional writing about special operation issues?

Mr. BERGQUIST. No, other than the transcription of my speech in 1983.

Senator KENNEDY. That is the only publication or statement or comment that you have written on the subject of special operations?

Mr. BERGQUIST. I believe that is the only professional writing on any subject that I have.

Senator KENNEDY. You included that as part of the record, Mr. Chairman?

Chairman NUNN. Without objection.

[The information follows:]

SPECIAL OPERATIONS IN U.S. STRATEGY

(Edited by Frank R. Barnett, B. Hugh Tovar, Richard H. Shultz)

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DISCUSSANTS

Mr. Kenneth P. Bergquist

I would suggest that Dr. Sarkesian may have understated the problem of bureaucratic resistance to organizational change. I do not by any means wish to imply that the objectives underlying the changes advocated by Dr. Sarkesian cannot or should not be accomplished. But perhaps we can achieve the underlying objectives by a phased program of organizational change and, more importantly, by adaptation carefully tailored to the existing organizational environment.

I agree that the United States must have an organizational command and control structure that enables it efficiently and effectively to meet the challenges of low-intensity conflict. But I do not believe that a unified civilian/military command for prosecution of low-intensity conflict is necessarily the best means in present circumstances to enhance the capability to face such challenges.

The prosecution of any level of conflict is now directed by the National Command Authority. But responsibility for execution of the directed effort is vested in the appropriate military Commander-in-Chief (CINC) or appropriate country team or teams. This system is not perfect, but it can work very well whenever the key players involved have had the wisdom to understand how the system works and to command and control it effectively.

No organizational change that any of us can propose will facilitate the effective prosecution of special operations or low-intensity conflict unless our leadership at every level understands how best to use the organizational command and control structures at its disposal. Organizational change should be designed to facilitate command and control. There is no substitute for leadership that understands the available command and control and operational assets, and shares a mutual trust with the infrastructure of those organizations.

At the highest level, the organization of our vast national assets in the face of a challenge rests with the National Security Council (NSC) and its associated staff structure. The effectiveness of the NSC in achieving the coordination and integration of policy direction is primarily a function of leadership and the integration of personalities involved. The organization of the NSC staff is relatively less important, since it will normally adapt itself rapidly to accommodate requirements. The key here is not so much organization as it is informed leadership and the availability of staff with functional expertise broad enough to facilitate effective coordination and integration of policy direction. Permanent, semi-permanent, or temporary policy planning centers may or may not be appropriate within the NSC, but organizational flexibility and a lack of bureaucratic inertia is essential.

Below the level of the NSC, I believe that the creation of a mixed military and civilian joint command for the conduct of low-intensity conflict under the direct control of the NSC would be fundamentally unworkable. Such an integrated command and control element would not be regionally specific, thus it would not be in a position to properly focus on the peculiarly regional character of the variety of low-intensity challenges that it would face.

If a national amalgamation of effort is desirable, why not have a consolidation of the Department of Defense, the Department of State, and the Central Intelligence Agency in one organization? I am an avid proponent of unity in any effort that requires the integration of diverse assets. But I believe that in this case it can be accomplished just as effectively—perhaps more so—by the utilization of in-place civilian and military assets under the command and control of a regional and country-specific task force with clearly defined objectives.

Depending upon circumstances, this task force can receive policy directly from the NSC or through the department or agency with the greatest degree of involvement in the effort. Proponent responsibility for the effort can and should change between departments, and between a department, an agency, and the NSC, as circumstances may dictate. Support requirements and responsibilities can be assigned by the NSC to each of the departments and agencies involved to ensure viability of the effort.

The chain of command should be clearly defined and consistent with the level of effort involved. Such a system would emphasize the unity of an integrated civil and military effort, and at the same time take full advantage of the established resources of the departments and agencies involved. As a practical matter, resources already in place, when appropriately integrated and augmented, are far better prepared to meet the regional or local challenge than any organization far removed from the scene.

Now, in a strictly military sense, I do believe that the disparate special operations assets of each service based in the United States require the coordination of doctrine and continued sponsorship of a joint special operations headquarters. I agree that the service assets need not be dedicated to this headquarters, except under specific contingencies. The headquarters, however, would exercise doctrinal guidance for joint special operations, as well as supervision of joint special operations training and joint special operations exercises. The same headquarters would also assume responsibility for those joint special operations elements at Fort Bragg and MacDill Air Force Base. As its principal responsibility, the headquarters would be prepared to recommend joint special operations force packages designed to support the various CINCs under the contingencies they face, and to augment a CINC's joint unconventional warfare task force as may be necessary in given circumstances.

As a final note, Dr. Sarkesian correctly identifies a glaring need for the development of a conceptual synthesis regarding low-intensity conflict. I could not agree more. And I believe this problem can be attacked head on. Indeed, I believe the leadership of our government and our military services are rediscovering the synthesis we began to develop in the late 1950s and early 1960s. It will take more time, but I believe that we will achieve this synthesis and it will eventually permeate the appropriate elements of our government structure. It will take longer than we would all like, but I think it will come in the near term.

Once we've achieved the synthesis, we are then in a position for our National Command Authority to issue coherent and realistic policy directives in response to the challenges of low-intensity conflict, enabling our existing regional and local command and control elements to implement such policy with properly trained and integrated resources.

Senator KENNEDY. That has been referred to earlier. My time has expired, Mr. Chairman.

Chairman NUNN. Senator Cohen is recognized on his own time.

Senator COHEN. Thank you, Mr. Chairman.

Mr. Bergquist, who is Franz Oppenheimer?

Mr. BERGQUIST. Franz Oppenheimer is an attorney who practices in Washington, DC.

Senator COHEN. And a friend of yours?

Mr. BERGQUIST. No. I was invited to a lunch by a friend of mine which he also attended.

Senator COHEN. And is he friendly with Secretary Taft?

Mr. BERGQUIST. I believe he is, yes.

Senator COHEN. Have you seen the letter that he wrote to Secretary Taft?

Mr. BERGQUIST. Yes, I have.

Senator COHEN. What is troubling about the letter is that he, on January 20, I guess of this year, says the following, Mr. Chairman I will introduce it into the record, but he says "Dear Willy," meaning Mr. Taft, "Yesterday I met at lunch with a mutual friend, Kenneth Bergquist who told me he is in the running for Assistant Secretary of Defense for Special Operations Low Intensity Conflict."

And then underlined, "He also told me that he had opposed the statutory creation of that job and had done so in writing. I asked

for a copy which I just got, enclosed. Kenneth and his views impressed me strongly. If the decision has not been made, you might find it worthwhile to talk with him."

What is curious to me is how this man would come away with the impression, the singular most striking impression is that you opposed the statutory creation of this position.

Mr. BERGQUIST. I believe that is because I was asked how I felt about statutory creation of any subcabinet position. And I commented on that. I believe he was confused, because the writing he took away had nothing to do with that, it was the transcription of my remarks. And my remarks did not say anything at all about creation of any civilian position.

Senator COHEN. But what he underlines is that he also told me that he had opposed the statutory creation of that job.

Mr. BERGQUIST. Again, I think he was confused what I had opposed and was quite vociferous about it, was the establishment of an operational entity to manage special operations at the NSC level. That is what I oppose and still oppose.

Senator COHEN. Now he may have been confused about the contents of your article which really dealt in response to Dr. Sarkejian, right?

Mr. BERGQUIST. That is correct.

Senator COHEN. What about Mr. Armitage, would he have the same misapprehension about the, your views after reading that article?

Mr. BERGQUIST. I do not know, I do not know Mr. Armitage very well.

Senator COHEN. But you do know the position he occupies is one that primarily is charged with the management of low intensity conflict?

Mr. BERGQUIST. I assume so, I know what position he holds.

Senator COHEN. Well we are going to hear testimony today I believe that will say that a list of nominees was drawn up, you were fifth on that list for Mr. Armitage, and next to your name was an asterisk that says "opposes the legislation".

Do you have any idea how he would have gotten that impression?

Mr. BERGQUIST. Maybe he read the Oppenheimer letter, I do not know.

Senator COHEN. But that was a misconception on his part?

Mr. BERGQUIST. I think you will have to ask him.

Senator COHEN. We probably will have to do that just to clarify it.

How about Mr. Ropka, do you know him?

Mr. BERGQUIST. I do know him.

Senator COHEN. Have you had discussions with Mr. Ropka about his position?

Mr. BERGQUIST. Not about the position. After I was nominated, Mr. Armitage called me and said that he would offer the services of his office in order to provide me any briefings that I needed. At that time he referred to Mr. Ropka, who I had never met.

Senator COHEN. That would have been when, approximately?

Mr. BERGQUIST. June 1987.

Senator COHEN. June of this year. As a result of that meeting—

Mr. BERGQUIST. At which time I was invited over. I met Mr. Ropka, and he told me that if there was anything we can do for you, just give us a call.

Senator COHEN. Did he ask you to do anything?

Mr. BERGQUIST. Mr. Ropka?

Senator COHEN. Yes.

Mr. BERGQUIST. No.

Senator COHEN. Did you ever have any discussions with Mr. Ropka about the charter for the Assistant Secretary of Defense?

Mr. BERGQUIST. Yes.

Senator COHEN. What was that?

Mr. BERGQUIST. When I was having a series of briefings concerning the structure of the Navy and Air Force special operations elements since I was not as familiar with those. Mr. Nelson Kieff insisted that he wanted to brief me on the charter. He came and briefed me and said this is what the charter says that I have drafted. And I said, that it looks good to me.

Senator COHEN. And that is the only discussion you had with Mr. Ropka about the charter?

Mr. BERGQUIST. No.

Senator COHEN. Tell us about—

Mr. BERGQUIST. Well some weeks later I was at another briefing, and the discussion came-up that they were having trouble getting the charter through the bureaucracy. I remarked that charters are used to tie you hands. Just restate the law, hand them that as your charter, and tell them you are going to be involved in special operations when and where it comes up as a matter of policy.

Senator COHEN. In other words, Mr. Kieff's proposed charter was put aside and then you—

Mr. BERGQUIST. No, I did not say it was put aside, Senator.

Senator COHEN. What happened to it?

Mr. BERGQUIST. I said that it was in the process of coordination, they were having difficulty getting it coordinated because there was opposition from other offices to certain provisions.

Senator COHEN. Physically what happened to his proposal?

Mr. BERGQUIST. I don't know.

Senator COHEN. Did you draft a charter yourself?

Mr. BERGQUIST. I wrote a restatement of the law and handed it to him. The first lesson of bureaucracy, about charters in the building is don't get hamstrung about something that is not yet an issue. In other words, if you get into a big contest with another office about something in your charter that has not even been focused on, there is no sense in fighting a hard battle when there is nothing at stake. You just sweep it away and say OK fine, here is a restatement of the law and I intend to be involved in special operations and when and where it comes up as an issue.

Senator COHEN. Let me say, one of the problems that I have with this is that the charter is a terribly important document. It—

Mr. BERGQUIST. Senator, a charter may be an important document. And it may just sit on the shelf.

Senator COHEN. Do you know of any other charter within the bureaucracy at the Department of Defense that is just a restatement of the law?

Mr. BERGQUIST. No Senator, I have not done a review of the other charters.

Senator COHEN. So you think it can be important, or can be unimportant, depending on what the charter contains?

Mr. BERGQUIST. It can be important if it ties your hands. It is totally unimportant otherwise.

Senator COHEN. What if it sets forth the duties and responsibilities of your office and of those whom you will be in charge of?

Mr. BERGQUIST. Senator, I think you have clearly defined the duties of the office in the law.

Senator COHEN. So that nothing further is needed?

Mr. BERGQUIST. I don't think so.

Senator COHEN. Let me rephrase it. Is there anything in Mr. Kieff's charter that you disagree with?

Mr. BERGQUIST. No.

Senator COHEN. So you would have no difficulty—

Mr. BERGQUIST. I have no difficulty with his charter whatsoever.

Senator COHEN. Because it is a dramatic difference between what he drafted and the simple restatement of the law.

Mr. BERGQUIST. I understand that, Senator. It's about one page, or actually it is really one paragraph, restating the law. The law at the time, you have added to that. If I had to do it again, I would include your latest law changes.

Senator COHEN. We do not want you to walk into the side door and try to just sort of tinker with the system at the margins. The reason that we created that office was to have you walk through the front door, and say this is the way it is going to be done. And this is the charter, and this is my mandate, and I am going to carry it out.

We do not want you to have to try and deal on the margins with the system. That is not why we created this position.

Mr. BERGQUIST. Well Senator, I agree with you. And fortunately things have changed. I believe Mr. Carlucci is now taking a personal interest in the charter, and I believe that you will have a copy of the charter very shortly that I think will satisfy you.

Senator COHEN. The charter was due a year ago.

Mr. BERGQUIST. Senator, I did not have anything to do with that.

Senator COHEN. I understand that. I am just telling you, the charter was due a year ago, and still today we do not have it. Program Eleven, which has been stalled for some time now, did you ever have any discussions with Mr. Ropka about Program Eleven?

Mr. BERGQUIST. Yes.

Senator COHEN. What were those discussions?

Mr. BERGQUIST. I was briefed on what elements they believed were going to end up in Program Eleven. There was some confusion over exactly what should be going into Program Eleven. They were looking at what the law said and trying to determine exactly how to translate that into actually putting elements into Program Eleven.

Do you want to know my feelings on Program Eleven, Senator? I believe everything should be in it. If it has to do with special oper-

ations, it should be in Program Eleven. That is my personal opinion. And that includes personnel and everything else. But do not burden yourself with having them to personally execute it. Reach executive agreements with the services to execute the personnel portions of it, and the other portions of it you do not need to execute.

Senator COHEN. Did Mr. Ropka ever suggest to you that perhaps we should slow roll the charter issue and Program Eleven until after your confirmation so that this would not become a subject of controversy before the committee?

Mr. BERGQUIST. No. I believe what he felt was that the position needed to be filled in order to assure that they had enough horsepower behind it. I think that's what his motivation was.

Senator COHEN. In other words no charter, no Program Eleven until somebody is there occupying the position and promoting it?

Mr. BERGQUIST. First of all Senator, let me tell you that what Mr. Ropka did or did not do was not of any concern to me. He would tell me what he was going to do and I, at the outset in my discussions with both Mr. Armitage and Mr. Ropka, clearly said, you manage, I am just here to learn what is going on so that if and when I arrive I can start operating. You make the decisions you need to make and I in fact will not have anything to do with your decisions.

Senator COHEN. Who is Mr. Ropka, what is his position?

Mr. BERGQUIST. He is the principal deputy to Mr. Armitage.

Senator COHEN. And isn't Mr. Armitage's office the one that principally stands to lose in terms of the implementation of the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict?

Mr. BERGQUIST. I would not put in terms of lose.

Senator COHEN. I am talking about the turf, what you were talking about with Senator Warner.

Mr. BERGQUIST. Yes. In other words he loses portions of his responsibility to go to establish a new office.

Chairman NUNN. We have a vote on. Senator Dixon is the next to be recognized. Senator Levin has already left and will be coming back shortly. So perhaps you could begin your questions until such time as you continue to leave. I am going to just go over to vote and then just recess the committee for a brief time and then Senator Levin will preside.

Senator DIXON. Mr. Chairman, I have to preside when I get over there at 11 o'clock, so I can not return. I will ask a few brief questions, and I ask leave of the chairman to send some written questions of Mr. Bergquist for him to answer at his convenience.

Chairman NUNN. That will be fine. Senator Dixon, just recess. If Senator Levin is not back by the time you have to leave, I will be back in just a few minutes.

Senator DIXON [presiding]. Mr. Bergquist, I think it is apparent by now what the concern of the committee is. Quite frankly I was responsible for the amendment to the DOD reorganization bill last year that created the Under Secretary of Defense for Acquisition.

Mr. Godwin was presented to us as the first suggested nominee. We confirmed him. I think Mr. Godwin genuinely wanted to carry out the mandate of the Congress. And quite frankly the system

overwhelmed him over there, and I think even by his own admission he was not able to carry out the mandate of the Congress and consequently resigned. We now have a new nominee in the person of Mr. Costello. I believe he is committed to carrying out the mandate of the new law and that he will perhaps prosper in that position.

But the concern of those of us here who support this concept, is that quite candidly we have in you a man who would appear to be a fine person and a well qualified individual in many respects for important posts in the Government, but who comes to us quite frankly tarnished by the charge that he is not committed to carry out the mandate of this office.

How would you respond to that?

Mr. BERGQUIST. First off Senator, let me remark that that is one of the most surprising things that has come about of all of this, is that I have been characterized and I think quite deliberately characterized as being opposed to Special Operations.

Since I have dedicated about 20 years of my life to it, I find that extremely offensive. And I will not stand second to anyone in my commitment to Special Operations.

Senator DIXON. Well are you familiar with the Washington Post article of September 18 that refers to the new office of Assistant Secretary of Defense for Special Operations and Low Intensity Conflict, nicknamed Special Ops Command, and then says "Congressional Special Ops enthusiasts regard the nomination of Bergquist as a bureaucratic ploy to undermine the new command, a last bid by the Pentagon to thwart the will of Congress"?

Mr. BERGQUIST. I am aware of articles like that.

Senator DIXON. And are you aware of the Times editorial concerning this matter as well?

Mr. BERGQUIST. I understand there was one today, yes. I have not read it yet.

Senator DIXON. Oh, you have not read it. But what was suggested in that, and I do not have it with me, but the suggestion by both those newspapers, who I think most of us would agree generally reflects the broad different political philosophies that are present on the Hill, this one today, "What About Special Operations" in the Washington Times of today, be placed in the record. It speaks for itself.

[The article referred to follows:]

[The Washington (DC) Times, Dec. 10, 1987]

WHAT ABOUT SPECIAL OPERATIONS?

The Senate Armed Services Committee begins hearings today on a little-publicized but extremely important appointment, the nomination of Kenneth Bergquist to fill the newly created position of Assistant Secretary of Defense for Special Operations/Low Intensity Conflict. The holder of this wordy title is responsible for overseeing the creation of a military force that would conduct "low-intensity" warfare—situations that require military responses short of all-out war. The present engagement in the Persian Gulf, the invasion of Grenada and the attempt to police Beirut all provide examples of low intensity engagements.

The "special ops" position was created by Congress to provide a way to respond coherently to the increasing number of regional conflicts—conflicts instigated in many cases by the Soviet Union. Our most perilous engagements in recent years have been "low-intensity" engagements, from the humiliating and tragic failure of the American force sent to liberate the hostages in Tehran to the similarly failed

attempt to create a peace in Lebanon, to more successful engagements in Grenada. In a world afraid of all-out war, "low-intensity" war has become increasingly popular—and minatory.

A preliminary nose count indicates that Mr. Bergquist's nomination is in real trouble. Liberal Democrat Edward Kennedy reportedly is leaning against confirmation, as are moderate Republicans William Cohen and Warren Rudman, and conservatives such as Charles Grassley.

The chief objections are that Mr. Bergquist originally opposed creation of the position he has been nominated to fill; that he lacks significant background in special operations and the special operations community; that he is supported by Pentagon people who oppose special ops—and prefer the present system, in which each service has its own special operations force and in which all vie to control particular missions; and that the Department of Defense has dragged its feet in producing credible proposals for the department over which the new assistant secretary would have dominion.

Michael Wihbey has published in *Counter-Terrorism* a rough count of the opposition, along with a copy of a letter by one member of the House Armed Services Committee to the White House warning of tough action against the Pentagon unless the situation is cleared up. The letter notes that "The obvious course is for the President to withdraw Mr. Bergquist's name. It's clear that his nomination is dead in the water." Rep. Dan Daniel, chairman of the Subcommittee on Readiness of the House Armed Services Committee, is supposed to deliver more blunt testimony today: "I consider Mr. Kenneth Bergquist to be unsuitable for the position," says his testimony. "He has neither the experience, the stature nor the mental discipline to perform effectively."

These Members of Congress are sending an important message to new Secretary of Defense Frank Carlucci, who has supported the Bergquist nomination from the start. The administration must produce a nominee who understands the importance of special operations; who will fight the special interests that prefer the present, incoherent approach to special ops; and who has the military and political standing to build a credible special operations/low intensity warfare program. If Mr. Bergquist is not the man, Mr. Carlucci should act quickly to find someone who does have the standing to guide such a department. Otherwise, allies and adversaries will gain more reason to believe that the United States lacks the will to use power prudently around the globe.

Mr. BERGQUIST. Senator, it may speak for itself, but I object to everything that is in it.

Senator DIXON. Well I just want to clarify that for the record, and ask you directly. Mr. Bergquist I have to go vote, and then I have to preside, so I can not return, and I assure you I am at this point open minded about your suggested confirmation to this post.

But it does concern me having gone through this recent experience where we actually had a man who wanted to carry out the mandate who could not.

The question I have is, Do you have any reservations at all about carrying out the absolute mandate set forth in the act now concerning this post?

Mr. BERGQUIST. I have absolutely no reservations. Let me make two remarks here that I think are pertinent to the issues you have raised.

Number one, I believe Mr. Godwin was at a disadvantage when he took the position because he had never served in the building, or at least not recent service.

Senator DIXON. Yes.

Mr. BERGQUIST. So he was dealing with a bureaucracy that he did not understand until it was too late.

Senator DIXON. Sure.

Mr. BERGQUIST. And I believe that Mr. Costello does not have that disadvantage. That does not take anything away from Mr.

Godwin. He is an able administrator, it is just that under those circumstances it was difficult to succeed.

Number two, I think the most important thing to remember is that Mr. Carlucci himself is committed to doing what this body has mandated. And he has personally said so and he has met with numerous Senators on that subject.

Senator DIXON. And you are committed?

Mr. BERGQUIST. And I am personally committed as I stated earlier without any reservation whatsoever, and I also believe that the key feature is that I have Mr. Carlucci's confidence, and that I will be able to go directly to him at any time to bring up any issues that I believe are important.

Senator DIXON. And you see that usefulness of this post to address the problems that are inherent in the statutory direction and charter that support this operation?

Mr. BERGQUIST. I believe that you will find that in the next year, that many of the concerns that this body has expressed will be directly addressed by the office and by the Secretary himself. And the key is the Secretary.

Senator DIXON. Yes.

Mr. BERGQUIST. I mean you could put Superman in as an Assistant Secretary, but if he does not have the confidence of the Secretary himself, he is not going to be successful.

Senator DIXON. I would not quarrel with that at all. And by the same token, Mr. Bergquist, you can make this post work or you could be very effective at minimizing its impact within the Department.

Mr. BERGQUIST. Senator, I would not have gone through this rather difficult nomination process if I was not committed to it. I do not need to do this. I do not need to have the Washington Times write nasty editorials about me.

Senator DIXON. Well I thank you, Mr. Bergquist. I am going to recess this meeting temporarily. You are advised that someone should be back here almost momentarily. I apologize, but it is time for us to go. Thank you for your time.

[Recess.]

Senator LEVIN [presiding]. The committee will come back to order.

Senator COHEN. Will the Senator yield?

Senator LEVIN. Please.

Senator COHEN. I would like to correct for the record so that I do not in any way mischaracterize what I said about Mr. Bergquist.

About Mr. Oppenheimer's letter, I indicated it was underlined in the original. It was not underlined. I should clarify that.

Mr. BERGQUIST. Thank you, Senator.

Senator LEVIN. I just have a few questions of you, Mr. Bergquist.

Mr. BERGQUIST. Yes sir.

Senator LEVIN. I would like to go back to that Oppenheimer letter. I was a little bit troubled by your answer to Senator Cohen's question.

Senator Cohen asked you whether or not, and his is not the Oppenheimer letter now, I am sorry. This is the asterisk next to your name, which Armitage had placed.

Senator Cohen asked you whether or not Armitage was acting under a misperception, and you said you would have to ask him. I do not think that is a responsive answer, nor even an accurate answer. I think that is a question addressed to you, not to Armitage. The question is, was he acting under a misperception of your position?

Mr. BERGQUIST. I accept your criticism Senator, you are right. I should have addressed that. Because you are asking whether I believe he is under a misconception. And I do believe he is under a misperception. Because I made no public comments about the legislation whatsoever when it was being considered.

At the time I was working at the Justice Department, and to be quite honest, I was not even aware of the legislation until it was passed. So I would not have had any opportunity to make any comments in opposition while it was under consideration.

Senator LEVIN. When did you first learn of that asterisk and Armitage's misperception?

Mr. BERGQUIST. When Senator Cohen read it to me, sir.

Senator LEVIN. That was the first time, you had not read that in the newspaper?

Mr. BERGQUIST. No, Mr. Capaccio, over here taking notes, once came to me and said do you know you were number five on Mr. Armitage's list. To which I replied no, I did not know that.

Senator LEVIN. I am talking about the fact that on that list you were, it was stated that you opposed the legislation.

Mr. BERGQUIST. I have never been aware of that until——

Senator LEVIN. Or read about it or heard about it or anything.

Mr. BERGQUIST. No.

Senator LEVIN. Until today?

Mr. BERGQUIST. Until today.

Senator LEVIN. Now going back to the Oppenheimer letter just for one moment.

When did you first become aware of that?

Mr. BERGQUIST. It might have been Mr. Capaccio again. I am not sure, it was a newsman, came and wanted to talk to me and brought a copy of the letter with him.

Senator LEVIN. Is that Defense Week?

Mr. BERGQUIST. I guess we ought to give him a plug. That is Mr. Capaccio from Defense Week, Senator.

Senator LEVIN. I think we just gave him two plugs. [Laughter.] And when was that? Was it a week ago, a month ago?

Mr. BERGQUIST. No, it was, I believe sometime this past summer.

Senator LEVIN. Now after he showed you that letter from Mr. Oppenheimer to Mr. Taft stating what you had allegedly said at lunch, did you write Taft at that time or contact him to tell him that that was wrong?

Mr. BERGQUIST. No, I did not, Senator.

Senator LEVIN. How come?

Mr. BERGQUIST. I don't know. I just didn't feel it would be appropriate. When I looked at the Oppenheimer letter, I knew that I was dealing with a man who knew very little about the subject matter. And I didn't want to cause Mr. Oppenheimer any problems with Mr. Taft or cause Mr. Oppenheimer any embarrassment. So I just let it ride.

Senator LEVIN. Did you contact Mr. Oppenheimer to let him know he had misperceived your position at that lunch?

Mr. BERGQUIST. No, because I did not think it was particularly significant since he was not a player of any sort in the process.

Senator LEVIN. Did you think about writing Taft saying, explaining, gee, this is really a misstatement of your position, did that thought cross your mind, with a copy to Mr. Oppenheimer? It happens all the time, when people misstate other folks positions, you let the person who had the false information, the erroneous information know, you send a copy to the person who disseminated it, even though it was not purposeful, wilful, intentional or whatever. Just to correct the perception.

Mr. BERGQUIST. I may well should have done that.

Senator LEVIN. But did the thought cross your mind to do that?

Mr. BERGQUIST. It didn't, and it should have, Senator.

Senator LEVIN. Did you oppose the establishment of this position as a position? Not generically, not because you did not think these type of positions should be created by law?

Just, did you ever say to anybody anything which would be properly construed as opposition to the creation of this particular position?

Mr. BERGQUIST. No, Mr. Senator.

Senator LEVIN. That is all the questions I have. I think Senator McCain, you came just in time. If you would like to ask a question, this would be a good time. Or we can go to Senator Cohen and then go back to you. Whatever is easier.

Senator MCCAIN. Whatever Senator Cohen wishes.

Senator LEVIN. You are next in line.

Senator MCCAIN. Thank you. It is not often I am ahead of Senator Cohen under any circumstances, either intellectually or in seniority.

Senator LEVIN. Both you and Defense Week are coming out ahead this morning.

Senator MCCAIN. Thank you. I am leaving their payroll soon.

Mr. Bergquist, I would like to first congratulate you for your appointment. I also share the appreciation of the rest of this committee for the outstanding service that you have rendered to this country, both as a member of the military and Senate staff, and as a member of the Pentagon hierarchy.

I may be the Lone Ranger in this group. I have had severe questions about this entire piece of legislation. I still have questions about whether it will work or not. I am worried whether we have just created another bureaucracy in what many of us view as the Congress knee-jerk response to any problem. Create another bureaucracy.

I think you have got a very difficult task ahead of you. One of the reasons why I think you have a difficult task is because it is very difficult for even the so-called experts who smoke pipes and have leather patches on their sleeves, and are somehow all associated with Georgetown, to clearly define what a low intensity conflict is.

Further, once we have defined a given intensity conflict, it seems to be even harder to determine our need or commitment to become

involved in that conflict and whether we can get the support of the American people for U.S. involvement.

Your task is indeed a difficult one in defining roles and missions. It could range from some activities that we may want to undertake to counter terrorism in the Persian Gulf to an invasion like that of Grenada.

Some people might argue that the Grenada operation would have failed under your area of responsibility if your office had been in being at the time.

I also fully appreciate that you face enormous turf battles. You have had experience in the Pentagon with resistance to change. Perhaps you are prepared. Since the legislation is in being, and since the Congress has spoken on this issue, I will also support you in every way that I can. Nevertheless, I will not be astonished if we come back here a few years from now and find out that we have dealt with a real problem by burying it in yet another bureaucracy. If so, I can guarantee you it will not be the Congress that gets the blame.

Having said that, I am also concerned about the relationship of the Navy SEALs forces to the rest of SOF. I wonder under what conditions you feel that the Navy units should fall under the operational control of the SOF.

Mr. BERGQUIST. That is a tough issue, Senator, because I understand, I am not the world's expert on SEALs. Although I do admit to having a few close friends who are SEALs.

But I think that whoever fills that position has to recognize that the SEALs are uniquely different than the other special operations forces. And that is because they serve two different functions.

They have a uniquely Navy mission as well as having a joint mission. And there has to be some means to accommodate the Navy requirement for SEALs versus the joint requirement for SEALs.

I understand the report language of the original legislation. I am also aware of the decision that Secretary Weinberger made a couple of months ago. This is a matter that should be reviewed, because somebody has to de-conflict the legitimate naval requirements from exactly what participation SEALs should have in joint requirements. And I do not have an answer for you.

Senator McCain. Let me just remind you—and you said you read it—that the conference report says the conferees believe that Special Operations Forces now assigned to the U.S. Atlantic Command, the specified commands, and stationed in the United States, should continue to be assigned to these commands. That was the clear intent of Congress.

You have been there, and you know that people in the Pentagon do not always respect the will of Congress. I hope that you will fully respect the will of Congress in these deliberations as expressed in this conference report. The sense of Congress, to my knowledge, has not changed.

Mr. BERGQUIST. Senator, as I said, it is a difficult problem. I do not know what or how I will address the issue, because I really have not had time to look into it.

Senator McCain. Let me ask you, is it your personal opinion that the Navy Special Operations Forces that are now assigned to the

U.S. Atlantic Command, the U.S. Pacific Command, and in the United States should continue to be assigned to those commands?

Mr. BERGQUIST. Let me answer it in this way, Senator. I believe that the Naval Special Operations Forces that are based in CONUS should have some connection with General Lindsay's command.

And at the same time, it should be clearly recognized that these forces need to be available to naval commanders to perform their naval missions. How you accomplish it, I do not know.

All I can say is that I would have to review it and come up with it. Obviously if the intent of Congress is to have it one way, I do not want to go against the intent of Congress.

Senator McCAIN. Thank you very much. I wish you every success in your future endeavors. And I look forward to working with you. We face the very difficult challenges that lie ahead. Thank you.

Mr. BERGQUIST. Thank you, Senator.

Senator LEVIN. Senator Symms is next.

Senator SYMMS. Thank you very much, Mr. Chairman. I want to thank Chairman Nunn, who is not here now, and Senator Warner both, and the rest of the committee for finally getting to these hearings. And I am delighted that we have finally gotten to this.

I have been very concerned that this position has gone unfilled for quite some time, and I hope we can move forward in a timely fashion now. I know that you have a big job ahead of you.

But I have been very impressed in my meetings personally with Ken Bergquist, that he is very able and qualified, and has the intellect and the common sense to develop and implement the necessary policy recommendations for strategy.

And I think that those are things that probably they do not teach that exactly in a class or any particular course you can take. But when one looks at your record, I think it exemplifies a very outstanding record. And I wish to see you be able to move forward.

Now the issue of course has come up about, you know, your point of view on whether or not the Congress should micro-manage, if you will, the Pentagon. But I just want to ask, I think I know the answer to this.

I mean, certainly I believe that one can discuss the theory and management of special operations or any other operations, for that matter, in an academic sense. And yet still fully carry out the spirit and the intent of the law. Is that not the position you are in?

You mentioned you studied political science at Stanford. I might just tell you, Ken, in my family, I majored in horticulture and agriculture in college. My brother majored in political science and he runs the family business in the orchard. [Laughter.]

Mr. BERGQUIST. Might I say, Senator, I think you have the more useful degree. I found that when I left the Army, I had a degree in political science and no one was hiring political scientists. So I had to obtain a law degree and make my myself more useful.

Senator SYMMS. You feel confident, though, that despite what your academic theory might have been about what Congress should or should not do with respect to micro-management, that you are willing to enthusiastically go in and implement this to the best of your ability?

Mr. BERGQUIST. Yes, Senator. As I remarked to Senator Dixon while you were out voting, I stand second to no man in my commitment to special operations.

I also remarked that it is my intent to carry out the legislation as it was written, and intended, to the full spirit of the law. I understand the concerns that members have expressed here.

I am heartened by the fact that I think I have the understanding of the way the building operates, to be able to effectively be the advocate. My personal opinion has no bearing whatsoever on the performance of the duties in the position if I am confirmed.

Senator SYMMS. Well, it appears to me from your record and from what I know of you that you have a very distinguished record all the way through, both from an educational background and certainly your combat record is very distinguished and outstanding and most impressive.

I think you will certainly have my support for this confirmation process, and I hope we can move it through rather rapidly. And I am personally delighted we are having the hearings.

I might just say again, Mr. Chairman, because I think it is important that those Senators that really dug into this issue and recognized the importance for it several years ago, that we do fully carry out what the intent of the law was.

And I am convinced you will do that. So I thank you very much. And look forward to seeing your confirmation take place.

Mr. BERGQUIST. Thank you very much, Senator.

Senator LEVIN. Thank you, Senator Symms. Senator Cohen.

Senator COHEN. A few more questions, Mr. Bergquist. First, while Senator McCain is still here, well he is not still here. He has ducked out.

I wanted to say this while he was here, because he is a friend of mine, and somebody I admire a great deal, and I have worked with him very closely and consider him to be one of my very closest personal friends.

In spite of that, we disagree a lot. So what I say will be taken in context. Number one, I do not smoke a pipe, and I do not wear patches.

I do not think that General Scholtes wears patches, neither does General Wilson or Myer or Yarborough, Kingston, Stilwell. These are not academicians sitting down in Georgetown.

Mr. BERGQUIST. I agree with you, Senator. I do know that General Stilwell occasionally wears patches. But I know his record, so I do not hold that against him.

Senator COHEN. Some of them may have a patch over their eye. But I am not sure they wear them on their sleeves.

Second, I do not think I have ever been associated with a knee-jerk response to legislation. One thing I have tried to do is to listen to testimony and look at issues and try and be constructive in dealing with those issues.

I do not recall that I have ever had a knee-jerk response. And I certainly do not think that the creation of this position or that of the special operations command, which you endorse wholeheartedly, was a result of any kind of knee-jerk reaction on the part of this committee.

I think it was one borne of a sense of frustration, of looking at the history of the Mayaguez, Desert One, Grenada. Indeed, we have not even ever fully explored what took place with Grenada.

It was the reaction of the official military establishment and those within it that led us to the establishment of this office, and the separate command for special operations.

I guess, a couple of questions before I get to a final observation. Let us talk about Defense Week again. Let me give you a chance to impeach the reliability of Defense Week.

Mr. Oppenheimer is quoted as saying in that same article, that you told him that legislation was being pushed, I am quoting, by a "cabal on the Hill who wanted to get jobs for themselves."

Mr. BERGQUIST. Senator, that was an interesting quote of Mr. Oppenheimer's. Unfortunately, the quote was correct, the person who made it was not.

Senator COHEN. Who gave the quote?

Mr. BERGQUIST. A former staffer of the Senate, who had invited me to the lunch. Now, if you want me to provide his name, Mr. Quentin Crommelin.

Senator COHEN. Pardon?

Mr. BERGQUIST. Mr. Quentin Crommelin.

Senator COHEN. He made that statement?

Mr. BERGQUIST. He made that statement.

Senator COHEN. To whom? Mr. Oppenheimer?

Mr. BERGQUIST. He just made it at the lunch. It was a three person lunch, and he made the statement.

Senator COHEN. Did you disagree with that statement at the time?

Mr. BERGQUIST. Well, he just made it. I did not say anything.

Senator COHEN. So Mr. Oppenheimer simply confused who made the statement, then he gave an interview to Defense Week, and they reported his misstatement. All right.

Also, it stated in that article that you indicated that if you did not get confirmed, the position would remain vacant during this administration. Is that correct or incorrect? The statement itself?

Mr. BERGQUIST. Is the statement itself correct?

Senator COHEN. Did you make the statement?

Mr. BERGQUIST. That I made the statement? I do not remember. I may have made it.

Senator COHEN. Why would you have said that, you did not get confirmed, nobody would be?

Mr. BERGQUIST. Well, it was not a question of not being confirmed.

I think this statement is perhaps taken a little bit out of context. If I was voted down, then yes, there would be another nominee. But if nothing happened, if the nomination just sat, it was my opinion that it would just sit here and die at the end of the the Congress.

Senator COHEN. Let me come back just to the charter issue again. One of the things that really concerns me is the charter that was proposed or drafted by Mr. Kieff. It is fairly detailed.

There are some 22 paragraphs dealing with the responsibilities or functions of your office. And I think you have indicated you agree with those.

Mr. BERGQUIST. I have no problem with the charter that he wrote. Again, let me say that I have not studied it in detail. I just quickly ran through it.

He came and gave me a briefing and said I have been working on this charter. Here it is. I read it, and said, I do not have any problem with anything that is in here. At least nothing jumps out at me that I would have any problem with.

Senator COHEN. Tell me again what happened after that? What happened after the chapter was shown to you, and you did not have any problem with it? What happened with your experience?

Mr. BERGQUIST. Well, my involvement at that point—

Senator COHEN. You were in the Department of Justice at that point, still.

Mr. BERGQUIST. I am still working there. I was over at the Pentagon when he briefed me. They have a secure area in which you can talk about classified matters.

Senator COHEN. Then you went back to the Justice Department. Then what was your connection with discussions pertaining to the charter after that? What did you learn and from whom?

Mr. BERGQUIST. Some weeks later I went back for another briefing. I guess I had a briefing about once every 2 weeks there for a period of time.

And I believe it was either Mr. Ropka or someone else who remarked that we are having problems getting the charter through the staffing process.

Senator COHEN. And—

Mr. BERGQUIST. At that point I asked, What seems to be the problem? And they said every office has something they wish to change.

It is a common problem. Obviously any time you create a new office, everyone wants to give up as little as possible, and have you write a charter that does not impose upon what they consider to be their turf.

And I made the remark, I can write a charter in 2 minutes that would give you what you need.

Senator COHEN. Which is nothing.

Mr. BERGQUIST. No. No, Senator, it is not.

Senator COHEN. It is simply a restatement of the law.

Mr. BERGQUIST. And Senator, let me say you did a good job in writing that law.

Senator COHEN. So we do not need anything else?

Mr. BERGQUIST. Again, as I said, Senator, a charter is normally used when somebody wants to tie your hands, not when you want to accomplish something.

Senator COHEN. I think a charter really is used to define your jurisdiction and lines of responsibility and authority, vis-a-vis the others.

Mr. BERGQUIST. Senator, my reaction was if it involved special operations, the Assistant Secretary should be heavily involved. And that should be understood by everybody in the building. That is my personal belief.

Senator COHEN. So is it your opinion you do not need a charter other than a restatement of the law?

Mr. BERGQUIST. Sir, sometimes they have charters that just sit. You go to an office and sometimes they cannot even find their charter.

Senator COHEN. So we do not need it then, in other words?

Mr. BERGQUIST. Well, it does serve a function, a bureaucratic function, in that in specific instances it outlines certain procedures.

In this case, you know, my feeling was, let us fight those battles later. There are a lot more important battles to be fought first, like program 11.

Senator COHEN. And that had not been fought at that point either.

Mr. BERGQUIST. No. That is correct.

Senator COHEN. Let me just tell you the problem that I am having, not with you personally because I think you are highly regarded and we can see that you are a very talented individual, and your record no one is going to dispute the courage and value you have demonstrated over the years. And you have got some pretty strong supporters in Senator Simpson, John McCain, Senator Symms, and others.

Mr. BERGQUIST. Thank you, sir.

Senator COHEN. One of the problems that I have had the way in which the administration sometimes goes about dealing with issues they do not like. I am thinking specifically of the Synthetic Fuels Corporation, although it has no direct relevance to you or this hearing.

But the Synthetic Fuels Corporation was created some years ago in the wake of the crisis in the Middle East, the cutoff of oil, saying we may not be able to depend on an unlimited supply of energy. Let us start exploring options about creating synthetic fuel.

And the Reagan administration came in in 1980. There was opposition to the Synthetic Fuels Corporation. And the Heritage Foundation, as a matter of fact, one of the heads of the Heritage Foundation, was named to be head of the transition team for the administration.

The Heritage Foundation filed a paper recommending abolition of the Synthetic Fuels Corporation. Who did the President nominate to head up the Synthetic Fuels Corporation but the very chairman of the Heritage Foundation.

So it raised the question, is this a commitment to carrying out the Synthetic Fuels Corporation mandate? Or is it a way to simply undermine it from within? And it was troubling to me.

You could make a case for or against synthetic fuels, just as you can make a case for, perhaps John McCain would say against, this legislation. But the fact is, once it is on the books, you have a duty to see to it that it works, or you terminate it. But you do not undermine it from within.

The question I have really had is, Are they looking for someone like yourself, for example, who may have conceptual problems with the notion of creating this Assistant Secretary of Defense position?

So conceptually, I do not like that. But now that they have the law, I will work with it. Were they utilizing you, in other words saying, here is a guy we can work with because he will be not as forceful or as turf grabbing as someone else who might come in here that we do not want to see?

For example, I mentioned Mr. Armitage's office. He stands to lose the most in terms of the turf under the creation of this position. And it just strikes me as odd, the fact that Mr. Ropka is saying let us not deal with the charter issue, we have got problems, and let us wait a little bit on program 11 till we can get you situated.

Is it a situation where they are counting on you to be their guy in the office that does not change the status quo, except on the margins? Or perhaps a little cosmetically, for the benefit of this committee? That is really the issue that has been nettlesome to me.

And finally just a word, I do not know if this legislation will prove productive. But I will say in response to Senator McCain that I will be the first to stand before the Congress and say, it is not working. It is only another level of bureaucracy that I bear responsibility for, if that is the case. Thank you.

Senator LEVIN. Thank you, Senator Cohen. Senator Kennedy.

Senator KENNEDY. Thank you. Could you tell us, Mr. Bergquist, why do you think that there are so many of those that have been involved in the special forces and special operations that have expressed such concern about your leadership in this position? Does that surprise you?

Mr. BERGQUIST. It does very much, Senator. I believe it is because these individuals really do not know me.

Senator KENNEDY. Well, they are people that have spent a lifetime in special operations.

Mr. BERGQUIST. Well, some of them have spent a lifetime. Some of them have been peripherally involved, if you are speaking about the special operations policy advisory group.

Some of those individuals are on that group because of their broad background, not necessarily because their background is in special operations. Admiral Holloway, General Myer are two examples.

But those are two of the finest military leaders that this country has ever produced. And they gave a broadening to the panel that I think is important to have. No question about the others' backgrounds in special operations or low intensity conflict.

I am surprised and am concerned about it. I can assure you I will make every effort, if confirmed, to make myself available to any and everyone who deals in these issues so that they can get to know me better.

As I stated to Senator Dixon, I stand behind no man in my commitment to special operations and I have made it a personal commitment. I would not have gone through this rather grueling nomination process were I not committed to it.

There are plenty of other things that I could do other than do this. So I find it surprising.

Senator KENNEDY. Did you ever talk to any of them about it?

Mr. BERGQUIST. I have talked to General Stilwell and I have talked to General Myer. And I have talked to General Kingston. And in fact I at one time, for a very brief period of time, worked for General Kingston as an underling. I am sure he did not even know I was there.

Senator KENNEDY. And what was the nature of those conversations?

Mr. BERGQUIST. I wanted to get their impressions of what the problems are. It was meant to be an education process for me.

I do not think I said more than some pleasantries at the beginning, I just had my notepad out and was vigorously taking notes.

Senator KENNEDY. Just to come back in terms of the courses down at Fort Bragg, as I understand it you took the intelligence course at Hurlburt, is that right?

Mr. BERGQUIST. No, the psychological operations. It is the only military psychological operations course that is offered. Excuse me, I am sorry. It is not the only, there is one the Army offers. But that is MOS producing. This is the only general operational course they have.

Senator KENNEDY. And when did you take that?

Mr. BERGQUIST. I took that, I think it was last September.

Senator KENNEDY. This was after you were nominated?

Mr. BERGQUIST. Yes. Now, I did have some psychological operations training while in the CIA.

But I felt that this was DOD-focused, and I wanted to get as much as I could on DOD.

Senator KENNEDY. That is the short course or whatever they say, the week course?

Mr. BERGQUIST. Yes. I think it was 3 or 4 days or almost a week.

Senator KENNEDY. There is a 4-month course for active-duty officers, at Fort Bragg. And there is a full psychological operations course of 3 months for skill designation, at Fort Bragg.

Did you ever make any application for either of these courses or other courses?

Mr. BERGQUIST. Well, Senator, since while I was on active duty I kept finding myself in Vietnam, there was not time to make application to these courses.

And then when I was on Reserve status, I was working either with the Central Intelligence Agency, the Senate, and when I was in the Department of Defense I could not actively participate in Reserve affairs. So I could not go to a 4-month course.

I think Senator Simpson would have been a little upset had I said I am going to take a 4-month course, Senator Simpson.

Senator KENNEDY. Or at any other time in your career besides the time when you were with Senator Simpson?

Mr. BERGQUIST. Well, I did take some courses while I was in law school during summer break.

Senator KENNEDY. Just in another area, I notice that in the Justice Department you have responsibility for preparation of all Federal judicial nominees for individual and Senate confirmation hearings.

Mr. BERGQUIST. I think you probably saw me, Senator. I used to sit right back about there.

Senator KENNEDY. Which legislative interests did you have responsibility for?

Mr. BERGQUIST. Well, whatever was being considered by the Judiciary Committee. We would obviously track the status of all legislation going through the committee process.

As I am sure you are aware, we would prepare letters. Actually it was not our office that prepared the letters. The functional offices would prepare the letters, and we would forward them. We

would advise, for example, the criminal division or the civil division of the status.

Senator KENNEDY. Were there any particular legislative endeavors that you had special responsibility for?

Mr. BERGQUIST. Well, I did not have responsibility for any specific piece of legislation. I was just keeping track of the progress of all legislation that was going through the process.

And my job was to keep the Justice Department informed as to the status of legislation. When we thought the hearings would be, who we thought would be the witnesses, who we thought should be witnesses. I would coordinate with staff on witness lists.

Senator COHEN. Anything to do with judges?

Mr. BERGQUIST. Yes, Senator.

Senator KENNEDY. That was my next question. We were warming up to it. What was your particular responsibility in terms of the Federal judicial nominees?

Mr. BERGQUIST. At the time that the President made his phone call to any judicial nominee, that nominee sort of became mine.

It transitioned from the inner workings of Justice out to our congressional affairs office. And at that time, my principal duties were to take that individual and to attempt to educate him on the nomination process.

Basically ask them to come in and describe the way the process works. We would also try to arrange courtesy calls for each nominee with their home State Senators or any other Senators that are interested.

Senator KENNEDY. Were you involved in the selection process at all?

Mr. BERGQUIST. No.

Senator KENNEDY. Did you interview any of the nominees with regards to their views on particular constitutional issues?

Mr. BERGQUIST. No. I believe that my superior, John Bolton, may have been involved in the interviewing process. And I think he is now. I was not.

Senator KENNEDY. So your responsibility there was primarily functionary in terms of just coordinating the time of the hearings and the rest of it?

Mr. BERGQUIST. Senator, I hope it was a little more than functionary.

Senator KENNEDY. I am giving you the opportunity to tell us. And I understand you said that after the decision was made you got ready for visits and courtesy calls.

Mr. BERGQUIST. Well, also I would show them a television tape of a hearing so they could understand.

Senator KENNEDY. Tell us about those television tapes.

Mr. BERGQUIST. Well, there is a company called Capitol Video that I believe shows up at most hearings and offers the nominee the opportunity to purchase a tape of their hearing for about \$100.

And so I arranged with this entrepreneur—

Senator KENNEDY. That is basically orchestrated by the Department, is it not?

Mr. BERGQUIST. No, no. Capitol Video is some entrepreneur who shows up on his own. I do not know how he does it. We did buy a couple of television tapes from him.

Senator KENNEDY. And that gives the Senators that are asking the questions, the types of questions?

Mr. BERGQUIST. It is basically to show the nominee what happens. Handing them a transcript is not as good as handing them a television tape and say, well, here is a tape of a district court judge that went through it 2 months ago. And this will give you an idea of what will happen.

Senator COHEN. You are much different on camera than you are on paper.

Senator KENNEDY. That was a very innovative procedure that has been used in terms of educating nominees, reviewing the very detailed questions which I suppose is fair enough.

But I think it is also, as one who has been following those nominating hearings for some time, you begin to see the almost identical answers coming from each of the nominees.

Chairman NUNN [presiding]. How about the questions? Are they changing? [Laughter.]

Senator KENNEDY. They are not changing either. That is the problem. My time is up. Thank you.

Chairman NUNN. Thank you, Senator Kennedy. I believe Senator Levin, Senator Cohen, have you had your second round? Senator Levin.

Senator LEVIN. I will be brief, Mr. Chairman. According to your biography, you are responsible for the development of strategy to achieve passage of legislative initiatives.

Can you list what you consider to be the most important legislative initiatives that you have been responsible for developing the strategy of?

Mr. BERGQUIST. I believe that some of them include the establishment of the sentencing commission.

Also we did, I think, yeoman's service in reworking some of the drug laws. I think those are the ones that I consider to be most important and most satisfying.

Senator LEVIN. The drug laws?

Mr. BERGQUIST. Yes. We initiated—

Senator LEVIN. Last year's drug bill?

Mr. BERGQUIST. Yes, last year's drug bill. I think that was key.

Senator LEVIN. So the two most significant legislative initiatives that you have been responsible for developing the strategy to achieve passage of were those two?

Mr. BERGQUIST. Well, again, my job is to work with the staff on the Hill, as I am sure you are familiar. When we develop legislative initiatives, we come up and describe what we want to achieve. We make every effort to see if we could get hearings.

We try to work out a strategy for passage. We may ask some Federal judges who are particularly concerned in certain areas of law to call Senators they may know and push for legislative action.

I think while I have been at the Department, a lot of the criminal code changes we have made have been very useful, and are the ones that I think are most important.

Senator LEVIN. I am trying to find out whether your function is more to keep track of legislation, which is the way you described it a little earlier today, or whether you are responsible to develop the strategy to get it passed, which is what your résumé says, or both.

Mr. BERGQUIST. Well, I think it is both. It is an iterative process. I mean, I report on the progress. But at the same time, I am asked what should be done to achieve passage.

Senator LEVIN. Are you the principal person responsible for the strategy, for instance, on the drug bill? Or on the sentencing commission?

Mr. BERGQUIST. As it goes through the Senate, yes.

Senator LEVIN. So you are the principal person in the Justice Department to devise the strategy for getting that bill passed?

Mr. BERGQUIST. Through the Senate, not the House. There is another person who is charged with that responsibility. Obviously John Bolton is overall responsible for the Congress.

Senator LEVIN. Do you know what the laws and regulations say about the purpose of charters?

Mr. BERGQUIST. You have got me there, Senator. I do not.

Senator LEVIN. Well, that makes two of us. [Laughter.]

We will see who can find out quicker, because I think it has got a lot different purpose than simply reiterating the law.

Mr. BERGQUIST. I agree with you.

Senator LEVIN. Well, if it does not, when you recommend all you ought to do is reiterate the law and the charter.

Mr. BERGQUIST. No, Senator. That was to avoid getting wrangled in a fight that you did not need to fight, and to expend capital you did not need to expend.

Senator LEVIN. I know the purpose.

Mr. BERGQUIST. That was strictly a pragmatic viewpoint.

Senator LEVIN. I understand that. But the law or regs require something beyond just a restatement of the law, then your advice ran counter to what the law envisioned, or the regs envisioned for charters.

Now, I am not saying it does, because I am going to dig into it a little more. But my understanding always has been that it had a purpose beyond that. And all that I am saying is that if it does, if my understanding is correct, then your advice ran counter to what the law or the regs adopted pursuant to law require for charters.

Mr. BERGQUIST. Senator, let me just characterize my thoughts on this matter as what was necessary to be done, under the circumstances.

Obviously whoever takes over would like to come back and police up the battlefield later, once some of those battles have been fought. My opinion is that the most important thing that office needs to do at the outset is to start functioning and not get wrapped-up in a charter battle.

It needs to be wrapped-up in battles that are more important. For example: Program 11, assuring that the C3I problems are adequately addressed and are policy issues. That is what the office needs to do first.

Senator LEVIN. I think the purpose of the charter is to affect the outcome of those later battles.

Mr. BERGQUIST. I agree.

Senator LEVIN. Thank you, Mr. Chairman.

Senator COHEN. I think there were some issues raised before that you said you would like to have an opportunity to comment on in executive session.

So if there are no further questions, I would like to hear a little bit more about some of the issues you were talking about that we cannot talk about in public."

Chairman NUNN. That would be the plan, to go into executive session once we have completed all the questions in open session. Do any of the members present have any other questions in open session?

Mr. Bergquist, do you have anything else you want to say in the open session before we go to executive?

Mr. BERGQUIST. No, Senator.

Chairman NUNN. If not, we will consider the open session closed. Is there a motion that we go into executive session for the purpose of hearing the witness discuss classified information?

Senator KENNEDY. So move.

Chairman NUNN. Is there a second?

Senator LEVIN. Second.

Chairman NUNN. All those in favor signify by saying aye.

[A chorus of ayes.]

Chairman NUNN. Opposed.

[No response.]

Chairman NUNN. We will go into executive session. I ask all those who are not part of the committee staff cleared for this purpose to please leave the committee room.

[Questions for the hearing record, with answers supplied, follow:]

[Whereupon, the hearing continued in closed session.]

QUESTIONS SUBMITTED BY SENATOR ALAN DIXON

Senator DIXON. Mr. Bergquist, What involvement have you had in the formulation of policy for Special Operations or Low Intensity Conflict?

Mr. BERGQUIST. From September 1981 to February 1986, I served as a Deputy Assistant Secretary of the Army. I was specifically charged by the Secretary of the Army as his representative for all Special Operations matters involving the Army Secretariat. In addition, I served as the Secretariat representative on the Department of the Army Special Operations Forces General Steering Committee. This committee is charged with the formulation of policy for the management, training, and resourcing of all Army Special Operations Forces. During my tenure, I was charged with supervision of the Department of the Army Special Operations Forces Master plan. This plan directed the force structure and resourcing requirements necessary to dramatically enhance the capabilities and responsiveness of Army Special Operations Forces. As a result of the commitments made by this plan, the Army will have doubled the size of its active Special Operations Forces by 1992 as compared to 1982 and raised the resourcing priority of all active and reserve component Army Special Operations units.

Also during this period of time, I served as the Secretary of the Army representative on the General Officer Steering Committee for the light infantry division. This committee was responsible for all Departmental actions which led to the establishment, conversion and activation of the Army's five light infantry divisions. These divisions were principally created to give the Army the capability to meet contingency challenges within a low intensity conflict environment.

Additionally, I served on the Department of the Army Programming and Budget Committee. This committee is charged with developing the programming and budgeting priorities for the entire Army consistent with the fiscal and policy guidance provided by the Department of Defense. Five years of experience on this committee allowed me to achieve a thorough understanding of the programming and budgeting process used within the Department of Defense.

Senator DIXON. Mr. Bergquist, General Stilwell has provided this committee, at its request, the professional qualifications he feels are required of an individual to serve as the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict. Now, Mr. Bergquist, how does your professional background fit with General Stilwell's suggested requirements?

Mr. BERGQUIST. After reading General Stilwell's testimony, I find that he sets out nine general qualification criteria which I will briefly summarize:

1. Intellectually understands and accepts the importance of the continuum of special operations capabilities across the entire spectrum of potential international conflict;

2. Has the ability to be a convincing spokesman for special operations both within the United States and overseas;

3. Has demonstrated management and negotiating skills within the context of the programming and budgeting processes of the Department of Defense.

4. Has experience in dealing with the Congress to assure effective and responsive communication;

5. Is a professional, who is primarily interested in what needs to be done rather than what can be personally gained;

6. Has an understanding of the doctrine, strategy and operational methodology of communist revolutionary warfare derived from study and first-hand observations overseas;

7. In familiarity with the capabilities and limitations of other executive departments and agencies which can contribute to the U.S. response to low-intensity conflict situations;

8. Some experience in one or more Third World nations affording a solid appreciation of the problems of cross-cultural communication and the difficulties inherent to molding U.S. assistance to host country needs;

9. A deeply held conviction that the U.S. must improve its ability to respond to the future threats of low intensity conflict and the ability to persuade key decision-making to appreciate and understand the challenges that such threats occasion.

In order to properly answer each element of the question, I will compare my own professional background with each of General Stilwell's criteria separately and in the same order as he has presented them:

1. Having served thirteen years as a Reserve Special Forces officer and having served five years as the focal point within the Army Secretariat for special operations, I believe my actions and words have demonstrated an intellectual understanding and acceptance of the role of special operations forces across the spectrum of conflict;

2. As a public official for the past ten years, no one has ever questioned my ability to communicate and to serve as a spokesman. In the course of my public life, I have given numerous speeches on many topics, to include special operations. I am confident in my ability to be both knowledgeable and convincing. I have dealt with foreign officials on a number of occasions in regards to special operations matters and perceive no difficulty in my ability to do so in the future;

3. I spent five years as a member of the Department of the Army Programming and Budget Committee and as such have had extensive experience in managing the development of coherent programs and supervising the execution of budget elements. I have also spent countless hours in negotiations and bureaucratic maneuvers to assure the resourcing of special operations programs;

4. I have served on the personal staff of the Senator, as well as having served as Chief Counsel and Staff Director of a standing committee of the Senate. I have also served for the past two years as a Deputy Assistant Attorney General for Legislative Affairs in the Justice Department. I am intimately familiar with the role of the Congress in the development of public policy and have always been an advocate of close cooperation between the Executive Branch and the Congress;

5. Except to attend three years of law school under the GI Bill, I have spent the past twenty years of my adult life in service to my country. I have had numerous opportunities to pursue more lucrative opportunities in the private sector, but in every case I have felt the obligation to continue to serve. I do not believe there is any indication in my professional career that I have ever undertaken any position in government for my personal gain.

6. I believe I possess an excellent understanding of the classical concepts of "communist revolutionary warfare." I have read extensively in this area and for two years was a first-hand witness to such warfare in Vietnam;

7. I am intimately familiar with the capabilities and limitations of the Central Intelligence Agency (CIA) to contribute to a U.S. response to low-intensity conflict situations having spent two years employed by that CIA element responsible for such contributions. I am also very familiar with the capabilities and limitations of agencies of the Justice Department (FBI, DEA, INS etc.) to contribute because of my present employment but less familiar with other agencies;

8. I spent six months as a advisor to a Vietnamese infantry unit engaged in combat. I stayed with my Vietnamese counterparts continuously living and fighting

in a total immersion situation. I also spent two months planning and executing the provision of training assistance to a friendly third world country while employed by the CIA. This included extensive interagency coordination with the United States Mission in this particular country;

9. I have always had the conviction that the U.S. must improve its ability to respond to future low intensity threats. I have evidenced my conviction by my past and present commitment to service where I can personally contribute to improvement of our nations ability to face such threats. Such threats are especially insidious because they are usually incremental and are rarely perceived in isolation as a significant threat to our vital national interest. The key to achieving a successful and coherent natural policy for low intensity conflict is to persuade policy makers in appropriate agencies and the Congress to look at the totality of the problem and to effectively address such problem at its earliest stages. I am committed to using all of my persuasion skills to assure that the threats of low intensity conflict are accurately appreciated and understood in their totality.

I appreciate this opportunity to reply to your questions, Senator Dixon and trust that my answers appropriately address your concerns.

[The meeting adjourned to be reconvened with an afternoon session.]

NOMINATION OF KENNETH P. BERGQUIST TO BE ASSISTANT SECRETARY OF DEFENSE FOR SPECIAL OPERATIONS AND LOW INTENSITY CONFLICT

THURSDAY, DECEMBER 10, 1987

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The subcommittee met, pursuant to notice, at 2 p.m., in room SR-222, Russell Senate Office Building, Senator Sam Nunn (chairman) presiding.

Present: Senators Nunn, Exon, Kennedy, Shelby, Warner, Humphrey, Cohen, and Symms.

Staff present: Arnold L. Punaro, staff director; Carl M. Smith, staff director for the minority; Jeffrey H. Smith, general counsel; Patrick A. Tucker, minority counsel; George K. Johnson, Jr., James R. Locher III, and David S. Lyles, professional staff members; and Pamela G. Powell, staff assistant.

Also present: Jeffrey B. Subko, assistant to Senator Exon; William J. Lynn, assistant to Senator Kennedy; Charles C. Smith, assistant to Senator Dixon; Milton D. Beach, assistant to Senator Glenn; Terrence Lynch, assistant to Senator Shelby; William J. Wight, assistant to Senator Warner; Christopher Mellon, assistant to Senator Cohen; Alan Ptak, assistant to Senator Gramm; Samuel J. Routson, assistant to Senator Symms; and Patrick A. Putignano, assistant to Senator McCain.

OPENING STATEMENT BY SENATOR SAM NUNN, CHAIRMAN

Chairman NUNN. The committee will come to order.

The committee meets this afternoon to continue to give consideration to the nomination of Mr. Kenneth P. Bergquist to serve as Assistant Secretary of Defense for Special Operations and Low Intensity Conflict.

This morning the committee received testimony from Mr. Bergquist. This afternoon, the committee will hear from a number of witnesses who are experts on special operations and low intensity conflict matters.

Given that Mr. Bergquist has been nominated to serve as the first Assistant Secretary for Special Operations and Low Intensity Conflict, I think it is appropriate for the committee to receive testimony on the qualifications that are needed by a person to effectively carry out these new duties and responsibilities.

Our first witness this afternoon is Congressman Dan Daniel, Chairman of the Subcommittee on Readiness in the House Armed Services Committee.

Congressman Daniel of course needs no introduction to this committee. For many years he's been a prominent and very valuable member of the House Armed Services Committee, with whom we have had the pleasure of working during defense authorization conferences.

Generally, he dominates the conference, and he will certainly dominate the hearing this afternoon. Senator Warner can attest to that, having him as a constituent. [Laughter.]

Congressman Daniel and Senator Cohen took the leads for their respective Houses in formulating last year's legislation to reform and reorganize special operations, and low intensity conflict capabilities, policies and programs.

Both Congressman Daniel and Senator Cohen are to be congratulated for the wisdom of their recommendations.

Events of the last year have clearly demonstrated the need for the forceful legislation that they've proposed. Congressman Daniel, given your central role in mandating a revitalization of these important capabilities, your views as to the required qualifications of the first Assistant Secretary for Special Operations and Low Intensity Conflict will carry considerable weight with this committee, and we welcome you very much, as a colleague and as an expert witness.

Senator Warner.

Senator WARNER. Mr. Chairman, I join you and other members of the committee in welcoming Congressman Daniel.

He is not only the dean of the Virginia congressional delegation, but he is the most respected member of our delegation serving in the Congress.

And we must attribute a great weight, not only to his testimony, but to his presence here today.

Congressman Daniel, I have forgotten the exact number of years you have been in Congress.

Mr. DANIEL. This is my 10th term.

Senator WARNER. And it is my recollection that this is the first time that you have ever appeared in opposition to a Presidential nominee; would that be correct?

Mr. DANIEL. That is correct, Senator.

Senator WARNER. And that must speak to the gravity of your feelings on this case.

Mr. DANIEL. I would like to make a short statement on that point. I do not appear with any pleasure.

Senator WARNER. I recognize that.

Mr. DANIEL. Mr. Bergquist has a tremendously good war record and it bothers me to testify against anyone with such a good war record.

But nonetheless, I feel I must do what I have to do.

Senator WARNER. Mr. Chairman, we welcome the witness.

Chairman NUNN. Dan, why do you not proceed as you see fit. We are delighted to have you.

STATEMENT OF HON. DAN DANIEL, A U.S. CONGRESSMAN FROM
THE STATE OF VIRGINIA

Mr. DANIEL. Thank you, Senator Nunn, for your gracious remarks.

I am grateful for the opportunity which you have given me to state my case in the pending matter.

Since this nominee will be the first occupant to this position, I feel it is one of the key appointments that will be made by this administration.

Mr. Bergquist, in my opinion, is unsuitable for the job. He is unsuitable from the standpoint of experience, from the standpoint of stature, from the standpoint of mental discipline.

Now, by this, Senator, I mean that I am not certain that he has the interest that will be required to carry out the functions which have been assigned to him, or whoever holds that position, by the Congress.

And if he does not have the interest, then it is going to be very difficult to follow through on the mandate that has been laid down for him.

Passing this legislation was the easy part. It is true that we worked on it for several years and it finally was passed. The business of implementing it on a daily basis, in my judgment, will be terribly difficult and almost impossible for one who does not have a 100-percent interest in what he is doing.

He is going to be working in a canal of turf sharks. And I just wonder if he has the stature to stand up and carry out the program against those people.

Additionally, Mr. Bergquist is associated with an element in the Pentagon which does not believe in special operations. We have had a couple of examples of this opposition recently that lead me to that conclusion.

Mr. David Chu, for example has figured out a method by which he can circumvent the MFP-11.

Senator WARNER. Mr. Daniel, you might identify Chu's position for the record.

Mr. DANIEL. He is the Director of Program Analysis and Evaluation, I believe. And also, Mr. Rich Armitage. He is the man who has the most to lose when this legislation is finally implemented, if it ever is.

I think the question arises, what is required? What does a candidate need to have in order to carry out this assignment?

Number one, he has to be profoundly interested and profoundly knowledgeable in special operations and in low intensity conflict.

His judgment must be such as to stand up against the turf sharks that will be snapping at his feet.

Unfortunately, Mr. Bergquist has neither. If there were not good qualified people Mr. Chairman, who are anxious to take on this assignment, perhaps we would have to take the chance on Mr. Bergquist. We would have to hope that he could master the subject matter and grow into the policy role.

I do not have a candidate. But to repeat, I know they are out there. There is a law on the books that has been there now for 12

or 13 months. We cannot wait for the seasoning of a candidate particularly at a time when the administration only has 1 year to go.

By the time that he gets his furniture in his office and gets a parking place, the year will be over and we will have gained little, if anything, by his assignment to this office.

I have had the pleasure of meeting Mr. Bergquist. I like him. He is very pleasant, very well spoken, but also very vague on not only what it is we are attempting to do, but how he would carry out that responsibility.

I guess in short, Senator, we simply do not have the time for on the job training. And to repeat, in my judgment, and also that of our committee which has approved the statement I just made, he is not qualified by reason of experience, stature, and the uncertainty of how he really feels about special operations activities.

In short, he does not meet the suitability test.

I thank the Senator. I thank the chairman and the members of the committee for listening to my statement.

Mr. Chairman, I ask unanimous consent to put my full statement in the record.

Chairman NUNN. Without objection, it will be.

[The prepared statement of Representative Daniel follows:]

PREPARED STATEMENT BY CONGRESSMAN DAN DANIEL, CHAIRMAN, SUBCOMMITTEE ON READINESS, HOUSE ARMED SERVICES COMMITTEE

Mr. Chairman, I very much appreciate your providing me the opportunity to offer some observations regarding the confirmation of the first incumbent to the office of Assistant Secretary of Defense for Special Operations Forces and Low-Intensity Conflict.

Because it is the first, it will be one of the key appointments which will be made in this administration. Whoever is confirmed could have as great or greater impact in this area than the original drafters of the legislation.

I consider Mr. Kenneth Bergquist to be unsuitable for the position. He has neither the experience, the stature, nor the mental discipline to perform effectively.

Passing this legislation was the easiest part; the day-in, day-out implementation will be harder, especially when the office-holder is surrounded by turf-sensitive sharks.

Mr. Bergquist is associated with the element within the Department of Defense which is hostile to the implementation of the SOF legislation—David Chu, who has reportedly found a way to circumvent the legislation, as it applies to Major Force Program 11, and Richard Armitage, who has the most to lose when the legislation is implemented.

In order for a new system to succeed as radically different from "business as usual" as this is, one of two kinds of candidate for Assistant Secretary will have to be selected. He will have to profoundly understand SOLIC, or his policy judgment must be beyond question to the conventional military. Of course, the ideal candidate would embody both qualifications. Unfortunately, Mr. Bergquist displays neither quality.

His Reserve Special Forces training is hardly the level of experience necessary to make national policy in an extremely complex subject area. He is not sufficiently senior or experienced in his Government service to deal with military or other agency policymakers in a fashion sufficient to implement this legislation.

If there were not several imminently qualified people available, I would reluctantly concede that we had to take a chance, and hope that Mr. Bergquist could master the subject matter and grow into the policy role. But we have a new law on the books now, which should have been implemented a year ago; it should not and cannot wait for the seasoning of a candidate.

While I do not have a candidate for consideration, there are those who have the experience and the stature who could today step into the post, with no need for a learning period. It is especially important to confirm an experienced person, because this administration has just about 1 year left in which to put its imprint on this office.

Mr. Chairman, I have met with Mr. Bergquist. He is very pleasant, very well-spoken, and very vague—both as to what he would or would not do, and indeed what should be done in this critical position. We just do not have time for inexperience or lack of stature in this arena. We cannot afford the time for on-the-job training for someone making this kind of policy.

It is my judgment Mr. Bergquist simply does not meet the suitability test.

Senator WARNER. Mr. Chairman, on that point, the distinguished Member of Congress and I spoke about that statement which you submitted earlier.

Was there not one or two changes that you wanted to make?

Mr. DANIEL. That was a draft statement, Senator, and it has been corrected.

Senator WARNER. It has been corrected?

Mr. DANIEL. Yes, sir, and the corrected version has been passed out to the members.

Senator WARNER. Fine.

Chairman NUNN. Thank you, Congressman Daniel. I just have really one question. You of course are speaking your personal views here, but you also have been in touch with a large number of people, I am sure, since you are known as one of the strongest proponents of special forces and capabilities needed for those special forces.

You have some gauge of the special forces community out there. Can you give us some indication of your impression of their overall feeling about the kind of individual they would like to see fill this post?

Mr. DANIEL. Well, Senator, to be perfectly honest, with you, I was stating that opinion when I made my earlier remarks. You know, Senator, Gen. Sam Wilson was the head of DIA when he left Washington and retired as a three-star general.

And he, I guess was one of the fathers of SOF. He lives in my district. We visit frequently. He may even be a candidate for Congress one day.

Of course, I have talked to other people, Gen. Shy Meyer for example, a very knowledgeable person, and a man in whom I have the greatest of confidence.

They both think as I do that unless you have the stature, unless you have the interest, then you are not going to be able to withstand the pressure that is going to be applied by those who are not interested in and who do not believe in special operations forces.

Chairman NUNN. Thank you very much. Senator Warner.

Senator WARNER. Mr. Chairman, I think for the record, even though we have access to it, but there are persons in the room that may not be knowledgeable, you in your 19 years in the Congress you have served for how many years on the House Armed Services Committee?

Mr. DANIEL. The entire period, Senator.

Senator WARNER. And you have also had concurrent services with the Select Committee on Intelligence in the House of Representatives?

Mr. DANIEL. The Senator is correct.

Senator WARNER. And that is for what period of time?

Mr. DANIEL. I am in my third year.

Senator WARNER. And you also have had extensive experience with military organizations and veterans' organizations. I wonder if you would, at my request, recite for the record some of those associations?

Mr. DANIEL. Well, the American Legion I guess could be called a paramilitary organization. I served as both State and national commander in my earlier years.

Senator WARNER. So you had extensive background, both professionally as a Member of Congress, and your involvement in outside organizations, with the U.S. military.

Mr. DANIEL. The Senator is correct.

Chairman NUNN. Senator Shelby is next.

Senator SHELBY. Mr. Chairman, I have no questions. I just want to tell Congressman Daniel we, too, all of us welcome him.

I appreciate him coming to present his testimony.

Chairman NUNN. Senator Cohen.

Senator COHEN. Could I amend that to say the only time we consider you to be dominant is here today, not during the House-Senate conferences?

Mr. DANIEL. Well said.

Senator COHEN. We had some contentious disagreements over this issue, I must say, Mr. Chairman. And working with Congressman Daniel last year, because he had a different approach. He had a different approach than the one we developed here in the Senate, because he wanted to create a separate agency to deal with this, because he feared that the service rivalry would in fact preclude any effective implementation of my proposal.

And well 13 months later I am not sure I should not reevaluate what we have done, especially in view of program 11. What is your view on what has happened with program 11? What is its significance? Where are we today in terms of equipping and providing the kind of material necessary for the special forces of this country?

Mr. DANIEL. Well, Senator, I appreciate your earlier statement. Actually I thought your approach was better to be very honest with you.

But based on the experience that we have had since this bill was passed, we may very well have to go back to that approach next year. It may be the only way we can get it done and it definitely has to be done.

Because I think, to paraphrase the President a few nights ago, that I accept the inevitability of brushfire wars, of insurgencies, and state supported terrorism, and I reject the inevitability of nuclear war.

Insofar as MFP-11 is concerned, I am not certain that anything has been done on that matter at the present time. But the thing that really bothers me about it is the way it is being interpreted over at the Pentagon. It is not going to be any different than the present approach to SOF funding.

The policy group, as I understand it, will continue to make the decisions and set the policy insofar as expenditures for special operations are concerned.

This may be another reason why we have to revisit this matter in the 101st Congress.

Chairman NUNN. Senator Cohen had an urgent phone call and he had to depart, so we will hold his time, and Senator Kennedy, we will recognize you.

Senator KENNEDY. Well, I wanted to express my appreciation to the Congressman for coming here and testifying. We all acknowledge the leadership and the attention that you have given to this area.

I asked Mr. Bergquist this morning why he thought that those who had been so long involved with special operations forces had such serious reservations.

He was unable to really indicate why he felt that they did have those reservations. Could you tell us from your own contacts with distinguished military personnel who have spent a good deal of time in that particular function whether you draw the same conclusion, that they had some reservations?

These would be people that he would have to work with, who would really be a backbone in terms of counsel and advice and experience. And that obviously should not be an overwhelming factor, but it is certainly one that one would probably have to take into account—why those that had been so involved—in many instances having spent a career in special operations—had such serious reservations.

Did you have a chance to talk with individuals whose opinion you respect who had had a career commitment in terms of special forces or special operations and whose confidence you trust, did you draw any conclusion as to whether they supported the nominee or expressed reservations?

Mr. DANIEL. Not specifically, Senator Kennedy, but I did draw the conclusions which I presented here a few moments ago based on the conversations I had with such men.

I have not had any personal experience with it myself but all three of these gentlemen with whom I talked have. They have lived with it for years.

General Kingston is another one that I failed to mention. The information which they gave me is the information upon which I base the conclusion which I gave a few moments ago.

Senator KENNEDY. Does the fact that the new Secretary of Defense Mr. Carlucci has given strong support to the nominee, does that affect your opinion?

Mr. DANIEL. Oh, absolutely. I have a great deal of respect for Mr. Carlucci and I read his letter with a great deal of interest.

But I must tell you that special operations was also Secretary Weinberger's top priority. However, the opposition to special operations is so intense at the lower levels, particularly among uniform personnel, that it is going to take more than a letter to cause a change in the policy.

This is another reason Senator, that I used the term a moment ago, unimpeachable judgment.

The people who he is going to be dealing with are not going to look at his operation and express a great deal of confidence in it. They are going to have an awful lot of stumbling blocks to throw in his way.

I was particularly glad that Mr. Carlucci pointed out in his letter yesterday that some additional thought is being given to the loca-

tion of the staff. We have a situation, and this is a good example of what we were talking about a moment ago, where we will have the Assistant Secretary in the Pentagon; his staff about 3 miles away in Crystal City; and the operational command down in Florida, as far from Washington as you can get on the east coast without drifting out to sea.

While this staff office space situation is developing, there is 75,000 square feet of space in the Pentagon that is not being used for military purposes. It makes no sense to scatter this organization around, among these different locations.

And another thing, when I look at the proposal that has been sent over for the rental space, it seems to me that this would pose a very serious security risk. So I was glad to see Mr. Carlucci make mention of that in his letter.

Senator KENNEDY. I know Senator Cohen is back—I am glad to yield at any time. I have only one other question—if this nomination is not confirmed, are you concerned about the delay in filling this particular slot?

Mr. DANIEL. Yes, I am, Senator Kennedy. But as you know we have a backup. The Secretary of the Army now has an interim responsibility for carrying out the functions of the ASD (SO/LIC).

That makes me feel better. However, you must realize that the first ASD (SO/LIC) potentially has only 1 year or less before a change in administration. And with all the opposition that special ops has, a great deal is not going to be done in that 1-year period, unless we have a person who is highly respected in the field, and who has greater stature than the gentleman who has been proposed.

And let me repeat again. I like Mr. Bergquist. We spent a little time together and I do not have anything but the kindest things to say about him. However, in my judgment he is just not qualified.

Senator KENNEDY. No further questions.

Chairman NUNN. Senator Cohen, any other questions? I believe Senator Symms is next.

Senator SYMMS. Thank you, Mr. Chairman.

First, Congressman, I want to welcome you over here. I had the privilege of working with you for 8 years in the House, and respect your opinions, and enjoyed working with you. I consider you more than a colleague, but also a friend.

So I am really troubled, I guess, by your position. And I guess the question I have to ask is, if we don't move forward with a man who I think has an excellent background based on what he has done, and shown no evidence to show that he does not have common sense—do you not agree with that?

Mr. DANIEL. Absolutely.

Senator SYMMS. If we do not move forward with Mr. Bergquist, and we fool around here until March or April or May on another nominee, how are we going to better the cause? What do you have in mind, a retired general or something?

Mr. DANIEL. As I said, Senator, I do not have a candidate. There are several men out there who are capable and who would be willing to take over this assignment for that year.

In answer to your question, sir, the Secretary of the Army has taken on the responsibilities of special operations until the Assist-

ant Secretary of Defense for SOF and LIC is confirmed. The law requires the Secretary of the Army to report to the Congress or to our committees, as the chairman would know, within 30 days after the signing of the Authorization bill, and that was on December 4. In other words, the report is due on January 4. So while it would not be as good, obviously, as having an Assistant Secretary of Defense for SO/LIC especially a Secretary who is qualified—I am sure it is better than having one who does not have the stature to carry the responsibilities of that job.

I want to repeat: this hurts me gravely to come here and say what I have said. But I felt I had to do it. You might remember—and I do not mean this to sound frivolous—but Babe Ruth was probably one of the greatest baseball players of all time but he could never have been a team manager.

Senator SYMMS. I guess what bothers me about it is, that when I look around the room and think of all of the individual backgrounds we had when we first came into politics, people would say, well, what experience did Dan Daniel or whoever have to become a Congressman? And you have been a very distinguished Congressman. It just troubles me greatly to try to take these issues on with respect to the stature question.

I respect your opinion a lot, and I think your opinion is going to have a lot of weight with this committee. You may well be correct. But I guess we will never really know what kind of mettle a man or woman is made of until they actually get the mantle of leadership given to them, and have the opportunity to go out and do the job. I think that Ken Bergquist could do this job, and that he would do it with a lot of enthusiasm and a lot of zeal.

And it could be, you are right. And I have to say that. I am troubled to find myself in a different position, because I suppose when we were in the House, that a good 80 percent of the time, we were probably on the same side of almost every issue.

But anyway, thank you very much, Mr. Chairman. And thank you for coming over, Dan.

Chairman NUNN. Thank you, Senator Symms. I believe Senator Exon is next.

Senator EXON. Thank you very much, Mr. Chairman.

Senator WARNER. Senator Cohen has not finished his question.

Senator COHEN. I heard the answer.

Senator EXON. Well, thank you, Dan Daniel, for coming over here. It is always good to see you, even in conference.

You are right part of the time in conference. More so than most of the House delegations we usually face, I might add. So I am always glad to see you.

Mr. DANIEL. Thank you, sir.

Senator EXON. I am a little bit concerned about this, and did not know of the extent of the controversy until a fairly recent date.

I am concerned primarily that he is the first nominee that is sent over here by the new Secretary of Defense. Have you talked with the Secretary of Defense directly on this?

I am not sure we will start off on the right track with a brand new Secretary of Defense that we are all pretty high on by turning down the first time recommendation he sends over here.

Could you answer my first question. Did you discuss this with the Secretary of Defense? Does he know of your objections?

Mr. DANIEL. Yes sir.

Senator EXON. And what has he said in response thereto?

Mr. DANIEL. He said I had a right to my own opinion.

Senator EXON. Well, do you have any concern as a very senior and respected member of the Armed Services Committee of the House of Representatives of turning down the first nominee that is sent over here?

Mr. DANIEL. Yes I do, Senator. As I said before you arrived, I have a great deal of respect for Frank Carlucci.

I have known him for some time. I think he is going to be an outstanding Secretary of Defense. But I also feel that it might not be doing him a favor to confirm Mr. Bergquist.

Senator EXON. Have you had these long held feelings about the qualifications of this nominee, or has this been as a result of your investigation when his name came up?

Mr. DANIEL. Well, the matter of the qualifications has been a concern to me for many, many months; as a matter of fact, for about 2 years now. It is something we discussed frequently. That is, what type of individual would be required to fill this position because of the atmosphere that exists, particularly among the high level uniformed personnel.

So yes, we have given a great deal of thought to it, Senator. I had not given much thought to this particular candidate until I had a call from Jack Marsh, who asked me if I would talk to Mr. Bergquist: I told him I would be pleased to, so he came over to see me.

He was very vague in his responses to my questions. And I guess from that I commenced to make some other inquiries. And I found that I was not alone in my assessment.

Senator EXON. I assume that while the House of Representatives and the Armed Services Committee of the House have no role as House Members in the confirmation process, we regard you very highly and our House counterparts, and I assume that the House Armed Services Committee of course have taken no action.

Is the feelings, the strong feelings that you have, shared by a considerable number of your colleagues?

Mr. DANIEL. They are shared by the Readiness Subcommittee, Senator. I don't know beyond that, because we have not spoken with anyone else. But we circulated my statement and everyone read it with no objection or opposition.

Senator WARNER. To clarify that, opposition to your statement?

Mr. DANIEL. Yes sir, opposition to the statement.

Senator EXON. May I ask the chairman or the staff, has there been any other requests from the House or statements in opposition?

Chairman NUNN. I have a letter here dated December 8 from eight Members. And I am going to ask unanimous consent it be put in the record.

[The letter referred to follows:]

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, December 8, 1987.

Hon. SAM NUNN,
Chairman, Senate Armed Services Committee,
Washington, DC.

DEAR MR. CHAIRMAN: As you are aware, the nomination of Kenneth Bergquist for the Assistant Secretary of Defense for Special Operations/Low Intensity Conflict is still pending, however, we understand you have scheduled hearings for Thursday of this week.

As stern supporters of the SO/LIC legislation, we are extremely concerned that this nomination process has dragged on for many months, primarily because the Administration has persisted in supporting the nomination of Mr. Bergquist, who for the most part is unacceptable to Congress.

We are especially concerned that Mr. Bergquist is unqualified for this critical national security position. He does not have sufficient years' experience in management nor any expertise in Special Operations. He also has no experience in low intensity conflict.

Furthermore, Mr. Bergquist has openly and in writing opposed the legislation which created the position for which he had been nominated, that of Assistant Secretary of Defense for Special Operations/Low Intensity Conflict.

We are also deeply concerned about the many questions raised about Mr. Bergquist's personal integrity as a result of activities which occurred while he was company commander of the 11th Special Forces Group reserve unit, including fraud of government funds and fraudulent travel orders.

Several Senators also oppose his nomination and have expressed this on more than one occasion. Unfortunately, the Administration has ignored the advice of Republicans and Democrats alike to withdraw Mr. Bergquist's nomination.

It seems to us that there are several far more qualified candidates to choose from, each of whom would be acceptable to both Congress and the Executive Branch.

Certainly we have no desire to see the President embarrassed on yet another nomination; nevertheless, we object strongly to this and any other nominee who is unfit and unqualified to serve in a highly critical national security post.

We hope that as you continue this process you will keep our concerns in mind; we place full confidence and trust in the Senate's deliberation and judgment in this matter. Thank you for your consideration.

Sincerely,

John R. Kasich, M.C., Denny Smith, M.C., Bob Livingston, M.C., Philip M. Crane, M.C., Robert K. Dornan, M.C., Andy Ireland, M.C., Doug Walgren, M.C., and Hamilton Fish, Jr., M.C.

Chairman NUNN. I would be glad to have the Senator take a look at it. The letter is in opposition to the nomination.

Mr. DANIEL. Senator Exon, let me state to you, sir, that I did not request to be here. I did not request the invitation to appear today. But I am very happy and pleased that the invitation was extended to me and I came in response to that invitation.

Senator EXON. I see.

Senator WARNER. Would the Senator yield just for continuity of record purposes here? You mentioned your discussions in the sense of fairness, talking about this nomination with the current Secretary of Defense Mr. Carlucci.

Did you not have comparable conversations with his predecessors?

Mr. DANIEL. With Mr. Weinberger?

Senator WARNER. That is correct.

Mr. DANIEL. Of course I did, sir.

Senator WARNER. And I want to point out that I think that shows a continuity of your position on this, with two Secretaries.

And I suppose it would be helpful if you indicate a point in time—I presume it was when the Bergquist nomination was an-

nounced by the President that you began your discussions with the Secretaries of Defense; is that correct?

Mr. DANIEL. The gentleman is correct. And I might add one further point.

When we heard early in the year that the President was considering a recess appointment, we also became very active in that matter and advised the President of our opposition to any such recess appointment.

Senator EXON. Mr. Chairman, I have no further questions of our friend. And I just want to thank him again.

I know it is not easy to come over and do these things, and I know you would not be here, Dan, unless you felt very strongly about it, and so you have at least given me pause for further consideration.

Mr. DANIEL. I thank you, Senator.

Senator COHEN. Mr. Chairman, if I could just indicate to Senator Exon, the reason that Congressman Daniel was invited is that he is one of the principal architects of the legislation itself.

Senator EXON. I am aware of that.

Senator COHEN. And he feels very strongly that being the father, at least the co-father of the legislation, he did not want to see it strangled by someone who was not dedicated to really carrying out the mandate expressed by Congress.

Senator EXON. Let me ask you one further question if I might.

I read your statement over that you made just before—you were finishing it when I arrived. It is your basic premise that we need, evidently, someone of more experience and more stature for this job. Do you have any concrete examples of the nominee's previous experience that you have had with him, or what has come to your knowledge, that would indicate that he would not be effective in this job?

Mr. DANIEL. No, sir. As I mentioned earlier, Senator, the only contact that I have had with Mr. Bergquist is when he came to visit with me. And to repeat, he is a very personable gentleman and one whom I enjoyed talking with.

However, I was disappointed about the vagueness of his responses to the questions which I asked.

Senator EXON. In your case, it would have been better probably if he had not made a courtesy call?

Mr. DANIEL. Well, I am not so sure of that. I would not have had the opportunity to come over and speak to you today, sir.

Senator EXON. Thank you very much, Dan.

Senator SHELBY. Mr. Chairman.

Chairman NUNN. Senator Shelby.

Senator SHELBY. Mr. Chairman, I just have a quick question.

Congressman Daniel, who do you feel was the best qualified person at the time Mr. Bergquist was nominated? If you do not feel Mr. Bergquist was, do you have someone in mind, or several in mind?

Mr. DANIEL. Well, to repeat, I do not have a candidate. But I can name three people who I think are available, and who would have the stature and experience to carry out this mandate. And it is a mandate which was fortified if I may use that term, during this session of the Congress.

And I think I have already mentioned the names of all three of them, but I will repeat them: Shy Meyer; Gen. Sam Wilson; and Gen. Bob Kingston.

Senator SHELBY. Thank you, Mr. Chairman.

Mr. DANIEL. They could hit the ground running and have the office in operation within 30 days.

Senator SHELBY. And you do not believe Bergquist can hit the ground running?

Mr. DANIEL. I do not believe so, sir.

Chairman NUNN. Thank you very much, Senator Shelby. Congressman Daniel, we appreciate your being here. We appreciate your leadership in this very important area for our country, and we appreciate your continued friendship as a valued member of the House Armed Services Committee.

Mr. DANIEL. I thank the gentleman.

Senator WARNER. Mr. Chairman, I want to associate myself with those remarks. We are looking at one great American here, and it is not without considerable discomfort, as you have said, that you have come before this committee for the first time in your nearly 20 years as a Member of the U.S. Congress.

Mr. DANIEL. I thank the Senator.

Chairman NUNN. Thank you, Congressman Daniel.

We have a panel of three witnesses who are experts in this overall area.

First, Gen. Richard Stilwell. I will ask all three to come up.

Second, Mr. Noel Koch; third, Mr. Nelson Kieff.

After a long and distinguished military career, General Stilwell served in a civilian capacity as Deputy Under Secretary of Defense for policy for much of the Reagan administration.

General Stilwell is currently a member of the Pentagon special operations policy advisory group, and is recognized throughout the defense community as a key expert on special operations and low intensity conflict.

General Stilwell most recently gave testimony before the Senate Foreign Relations Committee on the military situation in the Philippines, and he has of course reinforced his already very fine reputation in his analysis of that important country and some of the problems faced therein.

Our second panelist, Mr. Koch, is a former principal Deputy Assistant Secretary of Defense for International Security Affairs in the Reagan administration.

In that capacity, he had a responsibility for special operations policy. This committee recognizes that the recent attention given to special operations and low intensity conflict is a direct result of his efforts while serving in the Department of Defense in the Pentagon.

Our third panelist, Mr. Kieff, has had even more recent experience in efforts to reform and reorganize special operations and low intensity conflict capabilities. After last year's legislation was enacted, Mr. Kieff was called to active duty for 5 months to assist in the law's implementation.

In particular, Mr. Kieff was assigned responsibilities to prepare the charter for the new Assistant Secretary. Mr. Kieff may be able

to assist the committee's efforts to understand the Pentagon's approach to these issues.

I believe that I have already made this letter from eight Members of Congress a part of the record, but I would ask unanimous consent that it be part of the record here. And I think that the clerk has said that it has already been done, so it will be admitted as part of the record.

General Stilwell, we are delighted to have you before this committee. You have been here a number of times, and we have always enjoyed your testimony and benefited from it. So we are at your disposal, and we will let you lead off.

STATEMENT OF GEN. RICHARD G. STILWELL, USA (RET.), FORMER DEPUTY UNDER SECRETARY OF DEFENSE FOR POLICY

General STILWELL. Thank you, Mr. Chairman.

It is an honor to have been summoned by this prestigious committee to provide one man's view of the professional qualifications required of the individual destined to occupy the position of Assistant Secretary of Defense for Special Operations and Low Intensity Conflict.

In that general connection I applaud section 102 of the DOD reorganization bill bearing the names of Senator Goldwater, Representative Nichols, and the distinguished chairman of this committee, which stipulates that the Secretary of Defense establish specific qualifications for each Assistant Secretaryship and other positions requiring Presidential nominating and Senate confirmation.

In the instant case, sir, it is my understanding that the Secretary of Defense has set forth those professional qualifications which the Assistant Secretary must possess.

However, I have not seen that document, and there was no consultation with the DOD Special Operations Policy Advisory Group on that subject, though there might well have been.

Thus my list of qualifications may not conform with the official DOD position. I must take that risk.

The law assigns this particular Assistant Secretary of Defense the principal duty of overall supervision of the special operations activities and low intensity conflict activities of the Department.

There is much in the law by way of substance and guidance directly relevant to special operations activities, but nothing as regards low intensity conflict.

As the proponents of the legislation certainly recognize, special operations and low intensity conflict are largely discrete, one from the other. They overlap in only modest degree.

Special operations forces have missions across the entire spectrum of war; and, indeed, are basically structured for contingencies defined as mid- and high-intensity conflict.

While special operations capabilities are almost wholly military, the forces brought to bear in low intensity situations are, for the most part, nonmilitary.

And as regards the military component of a U.S. aid program for an ally or friend threatened from within, as witness the Philippines today, special operations forces are not likely to be the most useful assets.

Because these two functions are so very different, it is best to look at the qualifications for the discharge of the two functions separately.

As to the first, overall supervision of special operations activities, this involves, *inter alia*, departmental oversight, establishment of policies, assuring that special operations forces are adequately resourced for the short term; and most importantly, backed by a robust R&D program leading to significant material upgrades in the mid and longer term; and finally, advocacy for special operations in inter-agency, interdepartmental, and international arenas.

These tasks are relatively straightforward, but they are by no means easy to accomplish. They demand of the incumbent an unflagging devotion to this newly created unified combatant command; the resolve to argue persistently—and the credibility to do so effectively—for essential resources; and thorough familiarity with the entire special operations forces arena, from doctrine to strategic concepts to contingency planning to training activities to personnel policies to major elements of research and development programs for special operations-peculiar equipment.

Although it would be desirable for the ASD to have held senior level active duty assignment in the special forces of one of the services, and preferably overseas, I do not consider this essential.

The qualifications I consider essential are, first, intellectual understanding and acceptance of the national importance of the continuum of special operations capabilities across the spectrum of potential international conflict, from independent action to deal with isolated terrorist threat, to intensive training of elite foreign contingents, to the conduct of a deployment so rapid and audacious as to deter an outbreak of hostilities, to support of national resistance movements in a major conflict.

The normal precondition to that understanding is long association with practitioners and theorists in this category of military activity.

Relatedly, the ability to be from the outset a recognized, respected, convincing spokesman for special operations activities, not only in U.S. circles, but in foreign ones as well, in driving home their uniquely important virtues, in deterrence and in conflict, employed independently, or as a multiplier, when in conjunction with other forces.

As an executive charged with programming and budgeting responsibilities for a major force program, demonstrated managerial and negotiating skills are key. He must be able to hold his own with seasoned rivals competing for resources never in abundant supply.

And again, as the individual to be empowered by the Secretary of Defense to see that the mandate of Congress is carried out, the assurance of effective working communications and relationships with relevant committees of both Chambers of this Congress is self-evident.

There is so little time available that that professional respect and confidence ought to be implicit from the outset. This is of all the more moment in paving the way for the rescission of certain very detailed legislative provisos, which are clearly onerous for the

Secretary of Defense, and, indeed, have been cited by the Congress as constituting a degree of specificity that under normal circumstances should be avoided in legislation.

Finally, in this short list, and perhaps too obvious to mention, is thoroughgoing professionalism. And I define a professional as one who is primarily interested in what he or she can do for the job; not the reverse.

Now, the qualifications needed by the individual who the Congress expects to exercise overall supervision of the low intensity conflict activities of the DOD are quite another matter. There are no military units labeled or reserved for low intensity situations. There are no specific budget lines or program elements. Except for special operations forces, the military capabilities which could make useful contributions in such conflict situations are under the overall supervision of other Assistant Secretaries. And again, in contrast to special operations, low intensity conflict planning and execution are interagency by definition.

Certainly, there is much to be done within DOD to improve the understanding of the nature of that somewhat amorphous ill defined level of international conflict, and to hone capability to respond appropriately and rapidly to the exigencies thereof.

Yet it can be argued that brigading these two responsibilities in the charter of a single Assistant Secretary is not a particularly sound arrangement, the best intentions of the Congress notwithstanding.

And it is indeed likely that the resulting contentions and frustrations will dilute the Assistant Secretary's concentration on what is clearly his main responsibility, that of quarterbacking the revitalization of the Nation's special operations capabilities.

But the law is the law. And discharge of this other principal duty, that of overall supervision of low intensity activities, conflict activities of the DOD, adds appreciably to the qualifications needed by the incumbent.

I consider the following qualifications to be essential. First, consummate understanding of the doctrine, strategy, and operational methodology of Communist revolutionary warfare.

It is reasonably certain that the bulk of low-intensity conflicts of the future, no less than those of the past, will be Communist inspired, directed, and/or supported.

This understanding is distilled from intensive study, from first-hand observation abroad, or from the two combined.

Second, familiarity with the capabilities and limitations of other executive departments and agencies which can contribute to the U.S. response to low-intensity conflict situations. And I have enumerated those in my statement.

Third, some experience in one or more Third World nations, at a level of affording solid appreciation of the problems of cross-cultural communication; the opportunities for, and the difficulty of, gearing U.S. assistance to host countries' programs; and the role of the U.S. chief of diplomatic mission in developing and coordinating responsive interagency support programs.

And finally, deeply held conviction that not only DOD but the Nation as a whole must substantially improve its ability to respond

to this order of challenges in the future, lest the correlation of forces progressively swing in favor of our adversaries.

With no assets but his powers of suasion, the Assistant Secretary must nonetheless be the unflagging exponent, the conscience if you will, of this whole area of activity, vis a vis not only his peers in DOD, but interagency circles as well.

Senator WARNER. Mr. Chairman, I wonder if I might at this point—had you finished? Or you have got some more?

General STILWELL. Only to state at the very end, a very important paragraph, I believe, Mr. Senator.

You may consider these qualifications to be extraordinarily stringent. Perhaps they are. But as in all things, it is important to have a mark on the wall to measure the extent of fallback to get on with the Nation's vital affairs.

Senator WARNER. Mr. Chairman, would you permit me one question? And then I must depart and then return?

Chairman NUNN. Certainly.

Senator WARNER. That sounds to me to be pretty close to the mark, those qualifications. But as I listen to our previous witness, and his thought that he knew of three persons that were eligible, another thought occurred to me. And you are uniquely, I think qualified to answer.

Viewing this position also as one who's got to get in and fight that turf battle and make certain that the four branches of service contribute the assets necessary to form the composite forces; and you know how hard that's going to be, putting that together, what are the pros and the cons for having one who was a recent commissioned senior officer in one branch, coming in and being able to effectively fight that turf war with the other services.

Do they come with a handicap or not? For example, Gen. Shy Meyer, a man for whom I have just unreserved respect, and a real fighter, who sat in that chair for 4 years.

What would be the reaction of the Navy and the Air Force and the Marine Corps to see a former chief of staff of the Army come in and begin to garner from their budgets and their force structure the necessary elements?

Is that a handicap or a plus? You were a former commissioned officer, yet you were able to go in and perform duties, as you well know, in your area of expertise in international affairs, and as such, I do not think you were put in a confrontational status with the military departments.

General STILWELL. There have been precedents, Senator, for general officers, of any one of the services occupying the equivalent of Assistant Secretaryships.

Senator WARNER. Well, let us stop and think of those precedents. Can you enumerate one? I had one serve me, a general in the Marine Corps as Manpower and Reserve Affairs. But he had been out of the corps for some time.

Now, I am really trying to recollect, in the history of the Department of the Navy, I am hard put to bring another instance back. And I cannot recall one in the Department of the Air Force or the Army—

General STILWELL. You remember a remarkable individual named General Starbird?

Senator WARNER. Yes, General Starbird was a technician.

General STILWELL. But he had some very significant programmatic responsibilities and budgets, sir, during the Vietnam war.

Senator WARNER. Yes, he did. What was his position?

General STILWELL. In addition to having been the Director of the Defense Communications Agency, he was responsible for the entire project, the electronic fence, if you will, of sensors and the like, in the Laotian trail area.

Senator WARNER. That is correct. But it seems to me this is a very unique position. I will not dwell on it further. We are not here to determine whether or not another person should come in.

But you have enumerated, I think, excellent criteria, and perhaps the committee as it views this case should also think, are there not some other areas of that criteria that should be explored in terms of a former commissioned officer going in and entering into that turf warfare with the other military branches.

I will just leave it at that. I think unless you want to supplement something for the record at some point in time.

Senator COHEN. If I could just interject here, I would think that that is one reason why the charter of the Assistant Secretary is so critical in terms of defining exactly what his responsibilities are going to be, just to overcome that kind of opposition that is bound to come.

Senator WARNER. Well, how would you view, for example, a recently retired officer of one branch?

Senator COHEN. No differently than I would view Admiral Crowe as the Chairman of the Joint Chiefs under a strengthened JCS system.

I think I would view it the same way. Give him the powers, and he will have to overcome the obstacles.

Senator WARNER. I myself will have to think through the answer to my own question. But indeed, it does intrigue me.

Senator SYMMS. Would my colleague yield for a question?

Chairman NUNN. I would be glad to recognize the Senator. What I would like to do after this question, if I could, is hear from our other two witnesses. And then we will come back and begin our questions.

Senator SYMMS. General, I heard part of your testimony when I was in the other room listening on the squawk box. And I really appreciate your interest, and I have a very high respect for you, also, as I did for the previous witness.

But the thought just occurred to me that General Lee was viewed as an excellent troop leader and did a good job of commanding the army of Northern Virginia, would you agree?

General STILWELL. And more than that.

Senator SYMMS. But the fact is that General Lee—

Chairman NUNN. We could take judicial notice of that. [Laughter.]

Senator SYMMS. But I might just say that General Lee was against the war. He was against secession. He had never commanded any troops in combat. He was an engineering officer when he took command of the army of Northern Virginia.

And so we are sitting here saying that you have to have this perfect person to put in this job. Now, you know, the Redskin replacements did a pretty good job down in Dallas.

And I realize, you know, we have to have a charter, and the direction. I notice that my colleague from Nebraska was laughing when I made the comments about whether or not we are qualified to be here.

And I agree with you, Jim. They are still questioning that on my part. But I have a very difficult time with this question of who has the ability to do what, until you put them in there and hand them the reins.

You really do not know. And if they get the support of the Secretary of the Army and the Secretary of Defense, and of the administration, and the support of the Congress, they should be able to discharge these duties admirably; do you not think that is true, General?

Have you not seen troops in combat that took over? Or in a tough situation, maybe not in combat, and did an exemplary job in leadership and management, or whatever the task was?

General STILWELL. Senator, I could give you an example to parallel that of General Lee. And if you will look at the history of Gen. Ulysses Simpson Grant, you will find that he was almost cashiered from the Army at a very early age, and returned to be the formidable opponent to General Lee.

Senator SYMMS. Now, General, if we have to debate the virtues of General Grant in front of Senators Nunn and Warner, we have already lost.

General STILWELL. But you can make the point that the demonstrated experience of General Grant, again, would not have given people any great measure of confidence in 1861 or 1862, that he would demonstrate that fantastic capability that he did; and indeed, as did General Lee, in both instances.

They were operating under slightly different imperatives, I suggest. And in any case, sir, my task here was to lay out a job description, if you will, and I have done that with all the sincerity and objectivity that I can.

As I say, these may be impossibly high criteria. But on the other hand, I think the individual has to hit the ground running, because there is not a great deal of time.

Senator SYMMS. I did not hear you say, General. Did you say that you think candidate Bergquist does or does not fulfill these credentials that you laid out?

General STILWELL. I am not here to comment in any way on his qualifications vis-a-vis my list, or that of any other individual.

Senator SYMMS. Thank you very much. Thank you, Mr. Chairman.

Chairman NUNN. Thank you. Our next witness is Mr. Noel Koch. We would be delighted to hear from you, Mr. Koch, and then we will hear from Mr. Kieff, and then we will open it up for questions from the whole panel.

Senator EXON. I have to leave. Could I ask just one brief question?

Chairman NUNN. Certainly.

Senator EXON. General, I welcome you here. You are one of my favorites. And I was interested in hearing your testimony.

I suspect you made no recommendation on the nominee before us. You articulated very well what you thought should be the qualifications for the one serving in this particular position.

You evidently are leaving it up to us to make the determination as to whether the nominee fits that criteria without making an observation on that yourself?

General STILWELL. That is correct, sir. I understood that my limited role and contribution was to add one dimension to the framework within which this committee would make its decision.

Senator EXON. I thank you very much. And I just would add, Mr. Chairman, that all that talk of past generals brought up by Senator Symms went completely over my head, because as a man of the North, I never heard of Gen. Robert E. Lee of Virginia, but we'll leave it at that.

Chairman NUNN. Well, you were not part of the Union, then, or you would have heard of him. [Laughter.]

Unless you had had the Strategic Air Command out there.

Mr. Koch.

STATEMENT OF NOEL C. KOCH, FORMER PRINCIPAL DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR INTERNATIONAL SECURITY AFFAIRS

Mr. KOCH. Senator, thanks very much, Mr. Chairman, Senator Cohen.

I do appreciate the opportunity to discuss the nomination of Mr. Bergquist to the newly appointed post of Assistant Secretary of Defense for Special Operations and Low Intensity Conflict.

A written statement was not requested, but as I tried to think through this matter, I concluded that it would be helpful to have such a statement so that my views are made clear.

So with your permission, I will submit this statement for the record, and I will summarize the substance of it.

Chairman NUNN. Without objection, it will be part of the record.

Mr. KOCH. Mr. Chairman, in the interests of brevity, it is really not necessary to dwell at length on the events that have led to this hearing.

The course of our efforts to restore our special operation forces are pretty well known by now. It is especially well known here in the Congress, where Congressman Dan Daniel and Congressman Hutto kept the initiative alive for so long.

And where you, Senator Nunn and Senator Cohen, powerfully embraced it. And where both Houses, driven by events, gave it legislative reality.

Indeed, the principal tactical error made by those who sought to kill this special operations initiative was to underestimate Congress' commitment to this effort.

Neither is it necessary to dwell at length on the fact that this has been a rancorous procedure. I think this hearing is part of the fruits of that procedure.

Mr. Chairman, when I was invited to testify today, I was quite confident of what I would say to you, to this committee. As I

thought on it at some length over a period of weeks, I became increasingly less confident.

I remember the long struggle waged to get these assets restored, properly provided for, properly treated, and properly used.

There were three invaluable allies in this effort. One was the Congress. One was the media. And one was the people who opposed the effort.

The special operations community had the best enemies anybody could have wished for. Every time we shouted, let's cooperate, the echo came back, you cannot tell us what to do.

The legislation which made the existence of these forces a matter of law, and which created the position at issue here today, was very much in the manner of a last resort response to those who confused cooperation with capitulation.

This nomination comes wrapped in ambiguous circumstances, and a broken history. There is dispute over the motives involved in naming Mr. Bergquist in the first place. There is a dispute over Mr. Bergquist's own motives.

I know this has been discussed earlier. I am sure it will be discussed more today, and I have addressed it in my longer written statement.

The ambiguity, Mr. Chairman, arises from the fact that Mr. Carlucci has adopted the nominee of his predecessor, and has not contented himself only in waiting with studied indifference, as his predecessor did, to see whether the Congress would bite into what may or may not have been intended to be a poisoned apple, but now actively endorses the nominee and presses for his confirmation.

This seems to be one of those situations that alter cases. The issue now is much more one of the reliability of Frank Carlucci than of Ken Bergquist, and that is probably appropriate, since no matter where the authority for dealing with special operations forces lies, the responsibility in DOD lies entirely with the Secretary of Defense.

Less than a month ago, this body gave Frank Carlucci an overwhelming vote of confidence in the brief and laudatory fashion by which it confirmed him as Secretary of Defense.

What is happening here now is that Mr. Carlucci is cosigning for Ken Bergquist a request for the loan of the confidence of this committee.

It does not seem to me to be consistent with the mandate so recently given to him for you to deny him that confidence, or to deny him his nominee.

The new Secretary, and I am saying Secretary Carlucci, by training and experience, has an understanding of the problems and vulnerabilities of the developing nations far exceeding that of any previous Secretary of Defense. I believe he will have a keener appreciation of the role of special operations forces in defending U.S. interests in the Third World, in low intensity conflicts, than any previous Secretary of Defense; and that he will not be a party to any effort to divest the Nation of this capability.

As for Ken Bergquist, I have not spoken to him in several years. And what I know of the genesis of this whole matter, I know from others.

I would rather give him the benefit of the doubts that have been expressed about him, and expect the best of him. And I do expect the best of him, Mr. Chairman.

But if we imputed the worst will in the world to him, and if we assumed that he would have free rein to do his worst, which he won't have, I do not believe there can be any more damage done by putting him in the job than by leaving the slot empty.

The ship has as much chance of being washed up on the rocks with no one at the helm as it has of being deliberately steered onto the rocks by a malevolent helmsman.

Mr. Chairman, I spoke earlier of our efforts to get cooperation in rebuilding our special operations forces. Our approach was always de minimus. We just wanted the services, and the JCS, to do what needed to be done, as efficiently, as painlessly, as possible; and all under their control.

We could not get that cooperation, and in my judgment, a golden opportunity was missed, was missed by them.

This restoration process has been corrosive, and real progress is not going to come until the bad feelings are put by and real cooperation comes.

All my sense of what I have read and seen since Frank Carlucci was nominated to be Secretary of Defense has been of a desire to cooperate.

If this nomination is defeated, I think it will erode just a little bit that spirit of cooperation, at least in this area of such vital concern to us.

What I do know from working this issue in the Pentagon for more than 5 years is that it must have the ungrudging, above and beyond, direct support of the Secretary of Defense, if progress is to be made.

By his efforts on behalf of this nomination, Frank Carlucci has virtually gone surety for the initiative in the building.

I think it would be shortsighted not to take advantage of that by confirming Mr. Bergquist.

I thank you, Mr. Chairman.

[The prepared statement of Mr. Koch follows:]

PREPARED STATEMENT OF NOEL C. KOCH

It is customary to give some expression of pleasure and appreciation at being afforded the opportunity to testify before Congress; I do appreciate this opportunity, but I come with considerable trepidation.

I have tried as best I know how to reason through the matter that brings us here today.

At one level it involves merely the confirmation of an individual to the newly created post of Assistant Secretary of Defense for Special Operations/ Low Intensity Conflict.

At another level this is no mere confirmation. What is decided here today may mark a conclusion to a long and often bitter dispute, or it may prove to be only one more symptom of that dispute.

At one level it derives its chief concern from allegations about the character and the motivation of the nominee.

At another level the nominee is incidental to circumstances which are more compelling than his qualifications, and far more germane to the fortunes and the future of this new post.

It is not necessary to elaborate at length on the history of the current effort to restore our special operations force capability, but certain aspects of these efforts should be noted.

First, the train of events that brings us here today persistently defied all popular wisdom governing the defense establishment conjoined in the Pentagon and the Congress. (I am speaking here only of the Reagan Administration, but I believe it is accurate that almost the entire part of the current effort has been coextensive with the days of the Reagan Administration.)

From the beginning, our efforts were considered pointless at best, frivolous at worst. It was assumed that since there was no serious money involved in these forces and, hence, no serious consequences for jobs, for pork, for the attention of the major defense contractors, that the Congress would evince little interest in restoring these forces, and that such interest as there was would not be sustainable. There was little credence placed in the possibility that Congress might act in this matter on the basis of what it perceived as the national interest.

There was little credence placed in the possibility that the political appointees pressing this initiative would persist in their efforts; or that they would prevail if they did persist.

There is nothing to be gained by recounting the actions of the various services, though it was from the service staffs -- or, two of them -- and the Joint Staff, that the real opposition came. It never came from the fighting CinCs. But each small step essayed to advance the goal of restoring these forces had always these two characteristics: they were designed to keep the responsibility for these forces entirely with the services, and they were designed to do as little violence to existing force structure as possible. These were our working criteria from the beginning.

At anytime, anyone in the military leadership with a smidgen of political savvy could have co-opted our efforts and run us off the field, simply by taking the most minimal steps to accommodate (or even to appear to accommodate) this restoration effort. Indeed, it was this that we feared more than anything else, as the greatest threat to these efforts. But each step requested by OSD was taken as a threat to the hegemony of the service staffs -- and, in some cases, as a challenge to the prerogatives of certain individuals on

those staffs and to members of the JCS. Accordingly, invariably, each step was resisted.

I think it is fair to say there was a general expectation that resistance would in time lead to the abandonment of this initiative. This proved to be wrong. Resistance produced more hearings, more news stories critical of Pentagon leadership, more Secretary's Performance Reviews which rarely reflected well on the military leadership, and an ever-increasing number of supporters in the Congress.

Congressional support for this initiative was thought at first to be a passing fancy. Were it not for the persistent efforts of Congressmen Dan Daniel and Earl Hutto in the beginning, and then the powerful advocacy of Senator Cohen and Senator Nunn, this effort could have died. But for several years now, Congressional support has been bi-cameral and bi-partisan, and it continues to grow.

The fact is that those who wanted to contain this effort and kill it missed opportunity after opportunity to do it. If it was our objective to lay a path leading to legislation creating a unified command and a separate Assistant Secretary for Special Operations/Low Intensity Conflict, we couldn't have done it without these folks. They were the best enemies we could possibly have hoped for.

But this was never our objective. We sought only to put the capability back together, properly integrated in service force structure and in our defense strategy, and to assure that those who served in our Special Operations Forces would not be discriminated against in terms of career advancement.

If those simple, limited goals could have been achieved, I doubt there would have ever been any thought given to legislation. But they couldn't be achieved, and the legislation came; now, we must pass up no occasion to nurture its purposes into a robust and irrevocable life.

To this point, there seems to have been something less than a wholehearted effort to implement both the letter and the spirit of the legislation. The command is located in Florida; much of the old Special Planning staff, which is the nucleus for the new ASD staff, has been pushed out of the Pentagon; numerous assertions that Program 11 has been implemented have proven to be less than accurate.

Still, an objective observer might find plausible and benign explanations for all of these seemingly negative signs. —

On the other hand, the Command has a competent and well-led liaison office in the Pentagon. I learned earlier this week that the first eleven new Combat Talons are coming off the line, and Lockheed is building to the next tranche. That should put a lump in the throat of anyone who ever fought and prayed to make it happen. And the number of conversions to Pave Lows is growing. The single most gratifying and most important sign of progress is that Special Operations people are going on to flag rank in increasing numbers. That barrier could *only* be breached by the Services from within -- not by Congress and not by OSD's direction -- and the fact that it has been tells us a great deal worth knowing about the real progress being made.

Now we have an ambiguous situation.

The seeming indifference to the implementation of the Special Operations Forces legislation occurred under the previous Secretary of Defense. A part of that indifference, not to say active resistance, was a series of efforts to nominate to the post of Assistant

Secretary for Special Operations/Low Intensity Conflict individuals not widely viewed as sympathetic to the purposes of that post. This produced a series of disappointments for those individuals. Finally, however, one name made it as far as this Committee.

Part of the ambiguity of the present situation resides in the fact that the man who sent that name forward is no longer Secretary of Defense. And we don't know what is the attitude of his successor toward the purposes of the legislation . . . toward the restoration of Special Operations Forces. The question is whether we can reasonably infer what is that attitude from the fact that the new Secretary has not merely endorsed, but actively supports the nomination his predecessor sent forward.

The views and motives of the nominee himself are perplexing. I have not spoken with him personally; I am told that he denies every allegation that he opposes the purposes of the legislation and of the post to which he is nominated, and that he attributes those allegations to misunderstandings of his stated views.

Giving him the benefit of the doubt, it ought still to be pointed out that his supporters are laboring under the same misunderstandings as vex those who oppose him.

Mr. Oppenheimer, whose support the nominee sought while he was still pursuing the nomination, wrote to Mr. Taft that the nominee opposed the legislation verbally and in writing and cited that opposition as a qualification for the post.

And it is my understanding that Mr. Carlucci defends the nominee as having taken "the building's" position on the legislation. But "the building's" position was to *oppose* the legislation, which is what the nominee is accused of doing, and what he now dismisses as a misunderstanding. What is especially perplexing is that the nominee was not in "the building" at the time this issue was joined, and had no institutional purpose in taking "the building's" position.

Mr. Chairman, as I said at the beginning, I have tried as hard as I know how, to reason through this matter.

It is a conundrum. I do not know if we can infer Mr. Carlucci's views on the legislation from his support for Mr. Berquist. And that really is the central question.

I don't know if Frank Carlucci is immersed in this subject, as some of us are, and if he understands it -- at this point -- as some of us do. His management style is one which tends to assign time and mental energy according to how much of the budget a particular issue represents. On this basis, he may have yet to think long and deeply about this matter. Also, as do most institutional men, he tends in the main to accept institutional wisdom as the most immediately reliable guide through an issue. The institutional wisdom on this issue is still that Congress has meddled in matters in which it has no competence, and that the legislation was an egregious mistake.

I understand also that Mr. Berquist is Mr. Carlucci's friend. This would help to explain how he might send forward with alacrity a nomination others might consider problematical. It would not lead automatically to a conclusion that Mr. Carlucci wished to stymie the purposes of the legislation and wreck the effort to restore Special Operations Forces. It may be that Mr. Carlucci does not perceive Mr. Berquist's motives as others do. In any case, there is no way to test the accuracy of those perceptions except by putting Mr. Berquist in the job and watching his performance.

This does not mean the members, or any of us, are left to fly blind in thinking this out. There are other things to consider.

The first, and most obvious, is that the Senate just gave Frank Carlucci an overwhelming vote of confidence in confirming him as Secretary of Defense. Only one member dissented. Clearly this confidence extended to his ability to choose the people he wants to have working for him, as this is so fundamental to the role of a Secretary. Though the Senate has an obligation to advise and consent on nominations, dissent is always an exception and if it were expected to be otherwise -- that is, if the Senate anticipated it would early or often question the Secretary's judgement about the people he wished to have around him -- then it does not seem probable that he would have been seen to deserve or that he would have received such a vote of confidence.

So there is the matter of consistency here, and it points up the fact that, in a very real sense and in this very peculiar situation, Frank Carlucci and not Ken Berquist is really the issue.

The new Secretary has an understanding of the problems and vulnerabilities of the developing nations far exceeding that of any previous Secretary of Defense. I trust that, as he thinks on it, he will have a keener appreciation of the role of Special Operations Forces in defending U.S. interests in the Third World . . . in low- intensity conflicts, than any previous Secretary of Defense, and that he will not be party to an effort to divest the nation of this capability.

Further, Frank Carlucci has no apparent personal or political ax to grind. He has served in high positions under Presidents of both parties and may again; he stands to gain nothing and lose much by opposing the will of the Congress, not to say the law. And our Special Operations Force capability exists now as a matter of law.

It should be noted too, that the welfare of our Special Operations capability does not reside exclusively with the Services or the Secretary. Congress wisely gave the National Security Council a role vis-à-vis these forces. The National Security Advisor, General Colin Powell, is a man of stainless and unimpeachable integrity, and that integrity is another guarantor of the well-being of these assets. He is also a brilliant and broad-gauged military man, and I do believe he appreciates the utility of these assets; so there comes as well a pragmatic interest in, as well as a dogmatic commitment to, their survival and success.

Mr. Chairman, I noted at some length, in the beginning of this testimony, how opportunities were lost, how the issues got personalized and people got blinded to their own interests accordingly, how cooperation was refused, and how those who refused it ended up with the short end of the stick. I tried to suggest also that the real war is over, and nothing needs to be proved any further. It is understood that Congress has a more than passing interest in this matter, and that it has a hammer it is willing to use when necessary. It is understood this matter can't quietly squirreled away, to die of neglect in the dark when no one is looking.

The thing is won; the question is how to consolidate the victory . . . how to take "yes" for an answer.

What is happening here is that Frank Carlucci is co-signing for Ken Berquist a request for a loan of the confidence of this Committee. It doesn't seem to me consistent with the mandate so recently given him for you to deny that confidence, or to deny him his nominee.

There are those who see the year ahead as a fragile time for Special Operations Forces, and see that what is done in this year can do great damage to this initiative, and that what is not done can do great damage as well. I understand the argument, but I don't believe anything can kill this initiative now, for the simple reason that the geopolitical realities of the world now and for the foreseeable future require these forces and an understanding

of how to use them.

But the short answer to that concern is simply that, imputing the worst will in the world to Ken Berquist and assuming he has free rein to work his will, I don't think there can be any more damage done by putting him in the job than is being done by leaving the slot empty. The ship has as much chance of being washed up on the rocks with no one at the helm as it has of being deliberately steered onto the rocks by a malevolent helmsman.

Indeed, it has probably a greater chance. For, if Mr. Berquist should be confirmed in this post, he will be watched more closely than anyone in the Pentagon with the possible exception of Fawn Hall, and I believe he will be left with little choice *but* to steer as straight as he knows how. More than this, in spite of past suspicions, and current fears, I have great difficulty imagining that a person could take something which so many have struggled to create, something the necessity for which is no longer susceptible to reasonable debate, and deliberately destroy it out of a hope for some personal gain consisting of we know not what.

I would rather give him the benefit of any doubt and expect the best of him, knowing that people generally do better when you expect them to, than if you start them off with a chip on their shoulder. I'd think, like most of us, he'd want to be remembered for the good he did, rather than the harm; for what he built, than for what he tore down.

Common sense says to give Frank Carlucci the benefit of the doubt, as well. Because if you deny him the nominee he wants, he will send up another in due time, but you will have left him to associate this initiative with a personal hurt, and unnecessarily soured and sharpened the intrinsic adversarial nature of the relationship between OSD and the Congress which -- as I understand it -- is not a condition to which anyone is anxious to return anytime soon.

We are on the hinge of events here, Mr. Chairman, with an opportunity that may not occur again soon. None of the present top military leadership have any personal ego investment in the outcome of this issue; none have to prove that they can't be told what to do: the issue now rests largely with OSD and how it chooses to act in the weeks and months ahead, and this Committee will help to vector those choices by its decision in this matter. You can deny this nomination . . . and the feeling for doing so is strong. But the way this matter is aligned, if you strike at Berquist, you wound Carlucci whose every signal has been of a desire to cooperate and collaborate with you. It is difficult to see where the benefit comes in closing the door to cooperation and collaboration on this issue.

In 1942 the first units of what would become the 10th Mountain Division were created over the objections of key leaders in the Army. It was a special purpose unit, not to say a special operations unit; it was unusual in that it was conceived by civilians, and mid-wifed into existence through political influence. Even the recruiting was done by civilians -- of the National Ski Patrol. It had per capita the highest number of college graduates -- and most of them rich, Ivy League college graduates -- of any unit in the Army; it had also some of the physically toughest men in the country because, when they exhausted the Ivy League skiers base, the recruiters went after cowboys, trappers, loggers and others of that sort; it had a number of champions of various sorts, including two Olympians. The division was fit to fight.

But it had been inflicted on the Army by outsiders. The Army leadership sat on the 10th Mountain from 1942 until 1945, the year the war ended. And, in February of that year, they finally fought the unit in Italy where, from February to June, the 10th Mountain Division distinguished itself as one of the most competent and illustrious divisions in U.S. military history.

When the war was over, the unit was disbanded. It was only recently resurrected as one of the new light divisions.

It is important that the people who have to use Special Operations Forces and the people who have to make decisions about their use believe in these assets and be comfortable with them, and that will take a period of adjustment and acclimatization. The sooner this begins, the better. It can't begin so long as the precedent for hostility between Congress and OSD over Special Operations Forces is sustained. This only plays into the hands of those who have wanted to see this effort fail.

Thank you.

Chairman NUNN. Thank you very much, Mr. Koch, for being here. And we also thank you for your past service to the defense of our Nation.

Mr. Kieff.

STATEMENT OF NELSON R. KIEFF

Mr. KIEFF. Senator Nunn, I have a prepared statement that I would like to have in its entirety entered in the record.

And in the interests of time, it is a rather lengthy statement, I would like to simply read the conclusions of it, if I may.

Chairman NUNN. That will be fine. We will put your entire statement in the record, without objection.

Mr. KIEFF. I read from the concluding paragraphs of the written statement:

Substantial warnings counseled against entrusting Mr. Bergquist with the grave responsibility of the ASD SO/LIC.

His candidacy began, but must not successfully complete, a tainted selection process. As an aside comment, I would like to point out in regard to Mr. Koch's statement that this was not a selection process that Mr. Carlucci had any part of. Candidates were selected, and others ~~rejected~~, by an other than disinterested arbiter, operating without discernible standards.

Goldwater-Nichols required early identification of candidate qualifications to provide the Secretary of Defense and the President with standards to measure the stature of the person to carry out effectively the duties and responsibilities of the office.

Little more than passing thought was given this serious duty, and I may add here, to the written comment, that it was quite late.

Chairman NUNN. I do not know whether Senator Cohen has seen this. I am going to put in the record at this point, an inquiry of the Department of Defense General Counsel whether that statute had been complied with that Mr. Kieff has just cited, which says,

That when a vacancy occurs in an office in the Department of Defense, and the office is to be filled by a person appointed from civilian life by the President, by and with the advice and consent of the Senate, the Secretary of Defense shall inform the President of the qualifications needed by a person serving in that office to carry out effectively the duties and responsibilities of that office.

The Kathleen Buck December 9 letter says, the only official written information describing the position itself is the statute by which the position was created, and the legislative history of that statute.

Although substantial written information about Mr. Bergquist's personal qualifications was provided by the Department of Defense to the President, as such information has been provided to the committee, no other written information concerning generic require-

ments for the office was generated, although of course several oral communications on this topic were held.

So I want to put that in the record.

Mr. KIEFF. "On the other hand, Presidential personnel had minimal qualifications, which were only half satisfied."

Chairman Nunn has indicated, in the letter that was just read, that the background of Mr. Bergquist, that is, his résumé information, was sent over to Presidential Personnel.

The Office of Presidential Personnel separately had two qualifications: one was management experience commensurate with the job; second was active duty special operations experience.

The information that was sent over from the Department of Defense to Presidential Personnel erroneously stated that Mr. Bergquist had active duty special operations experience. We heard from the testimony this morning that he did not.

Furthermore, if Lieutenant General Tixier, who was the first nominee for this job, was the preferred candidate, because of his political, military, and theater level experience, Mr. Bergquist cannot be qualified to replace him. He lacks these attributes as well as lacking the active duty special operations experience.

The selection process cannot produce a satisfactory outcome when it is controlled by the DOD official who has the most to lose from the choice of a staturesd, vigorous proponent of the law.

Mr. Armitage solicited General Tixier, his former subordinate, who lacks substantive experience for the job; and then he replaced him with someone philosophically opposed to the position he seeks.

First, Mr. Armitage opposed the law creating the position he took charge of filling; and then he sought to move his Principal Deputy (PD), Mr. Ropka, firmly into a controlling position.

For permanency, Mr. Armitage inserted Mr. Ropka into Mr. Bergquist's choice of a PD. In the background stands a sad history of weak efforts to lead change in the direction of the law's objectives, and the contrasting bright history of success in achieving self determined objectives.

Substantial warning also leaps from Mr. Bergquist's own conduct. It is not the conduct of a vigorous advocate to achieve the most desirable and, as we've heard today, probably the most opposed objectives.

In contrast, it is the conduct of someone more interested in the position itself than in its value to achieve these difficult but desirable ends.

Mr. Bergquist opposed the position he seeks in theory, and then after its statutory creation, touted his opposition to Mr. Oppenheimer as entree to the job.

At every turn, he has agreed with advice that proceeds from the view that relations with Congress are a manipulative game; he feigned ignorance of the material, while simultaneously learning it; he agreed to slow roll Program 11 to avoid promises to this committee which would require salutary action in the Department's bureaucracy; and, despite warnings from Cowan (that is Bill Cowan, a Senate staffer at the time) and substantial voices in the special operations community, Mr. Bergquist was prepared to compromise the success of his office while ensuring his attainment of it. This portion of the written statement refers to his willingness to accept Mr. Ropka as his Principal Deputy, at Mr. Armitage's behest. I should note that the factual portion of these summary paragraphs is found in the preceding portion of the submitted statement.

Mr. Bergquist told his future boss—that is, Secretary Weinberger—that he did not know Bill Cowan, but in fact had recently met him, and had frequently talked with him.

He reneged on a significant commitment to make Mr. Cowan his principal deputy. He seems to use interchangeably his DOJ staff, its stationery, and its time, with his DOD and personal activities.

He indicated that he was able to achieve a lot with the strength of his personality, something he told me as reason for not fighting for a strong Charter. He agreed, it seemed, with the need for the Charter, and promised to tell Mr. Ropka to move the Charter. And yet, as everyone knows, until today, nothing has happened.

He sought to derail the Charter process in order to avoid an undetermined, but institutionalized, bureaucratically regulated opposition. He seemed prepared to substitute an extremely broad, vague scope of authority as set forth in the statute for

the Charter with its crisp, specific duties, and defined, in Department terms, general responsibilities, providing everyone with institutional reference points for both limitations upon and the grounds for exercise of power.

Finally, there is a disquieting concern that Mr. Bergquist has little interest in his future LIC responsibilities, or perhaps, sees most of those as belonging to Mr. Armitage. His lack of equal briefing interest and emphasis, especially in the lack of country-specific and regional briefings, promises ill in the LIC area. Those problems, it seems, would warrant the earliest and deepest briefings on the briefing schedule.

This is not the profile of a candidate who should be expected to engender trust and confidence in the policy planning processes and in oversight of covert, clandestine, and politically sensitive special operations activities.

And, it leaves substantial questions about the future for the overall supervision of that large area that General Stilwell mentioned, the Department's LIC activities. "The irony of this entire legislation, and specifically, this very piece of it, is that if properly implemented, a mechanism would exist to prevent a repeat of the Iran-Contra situation.

Properly implemented here requires the selection of well qualified persons dedicated to fulfilling the laws passed by our elected officials, and working in consultative processes with them. The ASD SO/LIC will have to produce a degree of trust and respect with Congress, and the people expected to implement SO/LIC actions in the field.

I am sad to say that Mr. Bergquist's past leaves nothing but doubts. And I must add, regarding something that has apparently bothered Senator Symms, that unlike the situation with the popular election of a Member of the House or Senate, you gentlemen have the opportunity, and I believe you have the important duty to review, the background of an executive branch candidate that has been put before you for confirmation.

That is the end of my oral statement, Mr. Chairman.
[The prepared statement of Mr. Kieff follows:]

PREPARED STATEMENT OF NELSON R. KIEFF

In January 1987, the Assistant Secretary of Defense, for International Security Affairs (ASD(ISA)), Richard Armitage, brought me on active duty for 5 months to assist his Special Planning Directorate staff with implementation of section 1311 of the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99-661). My experiences there are pertinent to the responsibilities of this Committee in the question of Kenneth Bergquist's confirmation, and I wish to share them.

In my civilian work I practice law, mainly a federal civil trial practice. I testify today, however, out of personal commitment to those who have and will devote themselves to the special operations (SO) and low intensity conflict (LIC) capabilities of this nation. My own involvement with SO/LIC activities spans 23 plus years. I served 10 years active duty as a Special Forces non-commissioned officer, 3 years as a civilian intelligence operations officer and 11 years as a reserve commissioned officer, including, in my reserve capacity, several extended periods of duty assigned to active special operations activities. This service includes 4 tours in Vietnam and Laos, tours in Europe and Ft. Bragg, and duty in Panama, Special Warfare Center, Pacific and European theater active duty SO elements. Over the years, I have studied and read the unconventional warfare and counterinsurgency literature, civilian and military.

The enacted SO/LIC legislation grew from the Cohen-Daniels reorganization proposals. It gives this nation an unprecedented opportunity to focus upon the threat of small wars, terrorism, and unconventional operations. It offers hope of timely, coherent response to such threats in an era of their ascendancy and improvement in our ability to use overt and covert SO options, across the spectrum of conflict. Born of failures and tragedies like the Iran hostage rescue mission, it exists, but fragily, despite bureaucratic promise and entrenched resistance to change.

A key part of the law is the establishment of the Office of ASD (SO/LIC). The result of this confirmation process will significantly affect the success or failure of the SOLIC reorganization.

In the following statement I shall identify information received from others. I shall also provide relevant context. I believe this is necessary to better understand and weigh the issues.

The law was enacted October 18, 1986. I joined the Special Planning staff on January 21, 1987. Charged, as it was, with implementation of this law cutting horizontally across the complex of functions, organizations, systems and military/civilian jurisdictions which comprise DOD, the staff seemed unusually small. It consisted of a deputy director and 5 sections officers. The director is the Principal Deputy (PD) to ASD (ISA). He was and is Larry Ropka.

Prior to the law Mr. Armitage had primary, OSD staff cognizance for SO/LIC activities of DOD. His Special Planning staff handled their prior duties along with the transition, implementation requirements. The staff had been supplemented with a reserve lieutenant-colonel, without relevant OSD experience, and scant SO/LIC experience. He alone was dedicated full-time to reorganization, implementation functions. He was preparing to depart soon after I arrived. My principal tasks were to design, draft and manage the process for producing the Directive (Charter) to establish the OASD (OS/LIC), and to work on other aspects of implementation, as well as assist with normal business.

I studied the historical record and it showed, on one hand, a declaratory policy of commitment to improvement and change, and, on the other hand, a "de facto" policy of "status quo". I was intrigued by the ASD (ISA)'s positions before and after the law. Mr. Armitage was put in charge of implementation but in July 1986 he had opposed Congressman Daniel's proposal for legislated change. He argued that with "another ASD . . . you are duplicating many responsibilities", such as "coordination between the State Department, the NSC, and the CIA," which "now resides in my hands" and "is one of my duties". In submitted responses to HASC questions, he stated that "ISA is the focal point for inter-agency policy coordination" but, on grounds that questions "regarding the structure of the NSC are beyond my purview," he declined to offer an opinion on the Senate's proposal for an NSC coordinating board. He informed the HASC that Secretary Weinberger had recently approved his request to increase the Special Planning staff from 5 to 10—a size not yet reached when I left in July 1987, a year later. To refute the proposal for statutory integration of responsibilities in DOD for Special Operations Forces (SOF), he answered: that, "while I have overall SOF responsibility, my staff does not have the expertise to deal with . . . acquisition programs . . . [or] military advise for the JCS", and that the diffused responsibilities "ensures several strong voices for SOF." On the LIC side of duties Mr. Armitage asserted his "responsib[ility] for those regions of the world in which [SOF] are most likely to be employed and [his] policy cognizance over the Defense Security Assistance Agency." (In November 1986 Mr. Armitage would submit a proposal that the new ASD (SO/LIC) report through the ASD (ISA) for SOF and counterterrorism deployment related activities.)

In view of the fact that the statutory requirement for Program 11 had not yet been satisfied in July 1987, I was especially intrigued by the July 1986 assertion that he was "already taking steps to incorporate Program 11 into the Planning, Programming and Budgeting System," (emphasis original) In July 1986, he declared "[w]e are establishing the SOF Command to ensure that SOF are fully prepared to conduct successful, joint special operations . . . [to] eliminate the need for the 'ad hoc' creation of task forces that has hampered us in the past." (emphasis original). Yet, despite the statutory requirement to assign the Navy Special Warfare Units (NSWU) to the Special Operations Command, Mr. Armitage refused to recommend NSWU inclusion in the March force list for the Command.

I discovered that in November Mr. Armitage submitted an implementation plan with scheduled objectives. Deputy Secretary of Defense promulgated that plan for DOD. By mid-March most of the objectives were hopelessly unattainable. More than 3 weeks into my work, I found that a draft charter had been submitted to Mr. Ropka in December. When he assigned me the task and emphasized its priority, he failed to mention the previous charter.

It would be a Herculean task to find an official in DOD who loses more responsibilities and functions to the statutory ASD than Mr. Armitage, or his PD, Mr. Ropka. Their authorities do not rest in law but rather were carved by Secretary of Defense from the domain of the Under Secretary of Defense for Policy. But the narrower the practical effects of implementation of the law, the smaller the loss.

On October 27, 1986 Mr. Armitage requested and received the mandate of the Deputy Secretary of Defense to co-chair, with the Director, Joint Staff, the Special Operations Reorganization Working Group (SORWG) in order to implement the law, including establishment of the OASD (SO/LIC) "within 180 days." An early action was to publish the aforementioned implementation schedule which called for an OASD (SO/LIC) charter by January 1987. There still is none. In mid-November Mr. Armitage proposed to the Secretary of Defense that the ASD (SO/LIC) report through the ASD (ISA) for SOF and counterterrorism deployment related activities,

and, pending the establishment of the OASD (SO/LIC), that Mr. Ropka head an interim (SO/LIC) office of consolidated activities. In the February Secretary of Defense's Report to Congress on SO Reorganization, authored by Mr. Armitage, it states that. "[u]ntil authorization for [the ASD (SO/LIC)] is obtained, the direction and development of this new DOD entity will be under the cognizance and direction of the PD ASD (ISA)." Sometime later Mr. Ropka told me that the SORWG was merely a device to avert another ASD's control of implementation.

By direction or design Mr. Armitage controlled the process for identifying and selecting candidates for the ASD (SO/LIC) position. I asked about this process. I learned that there was no campaign to identify capable, interested candidates. I learned also that no standards or qualifications had been set. I subsequently discovered that Goldwater-Nichols, 10 U.S.C. Section 113(f), requires, when a vacancy occurs, that DOD inform the President of the qualifications needed by a person to fill a position requiring confirmation. In the days preceeding the April 1, 1987 Report to Congress on implementation, the question of compliance with this provision arose. I was told that Mr. Ropka belatedly prepared the qualifications to match the ASD (ISA)'s preferred candidate, LTG Ed Tixier. At any rate the April 1 responses to Congress indicate that the screening process was over and a recommended nominee would be "forthcoming very soon."

LTG Tixier was the DOD recommendation. He had been Mr. Armitage's Deputy for Near Eastern and South Asian Affairs (DASD (NESA)). I have seen his detailed resume. He has no special operations experience and his LIC experience is limited to a year tour as DASD, (NESA) and one and one-half years as Chief, Office of Military Cooperation, Egypt.

I was told by a responsible person within the Office of the Director of Presidential Personnel that they had their own criteria: management level experience commensurate with the job and, secondly, active duty SO experience. LTG Tixier's name was rejected. He had no SO experience. I was told that when DOD sent Mr. Bergquist's name to the White House, DOD indicated that Mr. Bergquist had active duty special operations experience. I am also familiar with his background. He does not have such experience.

I was told that Mr. Armitage solicited LTG Tixier's candidacy while the other candidates were either recommended or recommended themselves. I have seen the letter that initiated Mr. Bergquist's candidacy. Using Department of Justice (DOJ) stationery, Mr. Bergquist referenced an earlier meeting with Mr. Armitage and thanked him for the opportunity to be considered. Mr. Bergquist also referenced, and included a copy of, his remarks "made in March 1983 as a 'Discussant' during a National Defense University sponsored symposium on 'The Role of Special Operations in U.S. Strategy for the 1980's.'" In those remarks Mr. Bergquist opposed a proposal by Dr. Sam Sarkesian to integrate the DOD civilian/military response to LIC under an ASD (SO/LIC). A member of Senator Grassley's staff recently told me that Mr. Bergquist said that he opposed statutory creation of ASD positions generally, and this one in particular. Mr. Bergquist also stated, in answer to the staffer's question, that he was not bothered by seeking a position to which he was philosophically opposed.

I have read Franz Oppenheimer's January 21, 1987 letter to DepSecDef. on behalf of Mr. Bergquist's candidacy. Mr. Oppenheimer wrote that Mr. Bergquist lunched with him and "told" him that "he is in the running for Assistant Secretary of Defense for Special Operations and Low-Intensity Conflict. He also told [him] that he opposed the statutory creation of that job, and had done so in writing."

I saw a copy of the ASD (ISA) memorandum, written I believe in March, that forwarded 9 names to the Sec. Def. The memorandum recited the outstanding attributes of each candidate. It indicated that LTG Tixier, first on the list, had national level experience in politico-military affairs and theater level experience in military operations. Mr. Bergquist was fifth on the list. His listed attributes were active duty SO experience (an error), and his 1983 article. I believe in the margin was penned the words "opposed the legislation."

I was told by a responsible person that, after refusing Tixier, the Director of Presidential Personnel spoke personally with SecDef about a one-two DOD ticket consisting of Bill Cowan and Ken Bergquist. About April 24, SecDef told Mr. Bergquist that he was the recommendation to the White House. Bill Cowan told me recently that Mr. Bergquist called him after the meeting with SecDef. Bergquist told Cowan that SecDef had raised Cowan's name as a possible PD and had asked whether Bergquist knew him. Bergquist told SecDef that he did not know Cowan, although he had met Cowan personally and had spoken with him many times by telephone. Cowan said that Bergquist asked him if he would take the job as the PD ASD (SO/LIC). Cowan said that he would. Since he was leaving town, Cowan called Betty

Karavaso in DOD to inquire into what might have to be done, informing her that Bergquist had offered him the PD position. Later that same day Bergquist called Cowan again. He indicated that he had spoken with Armitage and Karavaso. He told Cowan that "they said that you cannot be my PD and that Larry Ropka would be my deputy." Most of the civilian and military SO community had already perceived Ropka as an impediment to successful implementation. Cowan cautioned Bergquist about Ropka. Bergquist, however, stated that he intended to go along with the decision.

I know that Mr. Bergquist received classified and unclassified Briefing Books and oral briefings from early May through, at least, July, on most aspects of SO reorganization. I am not aware that he requested briefings on the trouble spots of the world-Peru, Colombia, Nicaragua, El Salvador, Chad, Angola, Morocco, Middle East, Thailand and SEA, Philippines, and Afghanistan—places where our LIC policy may demand immediate attention. With regard to briefings in general, Mr. Ropka told the staff in early June that Bergquist agreed to a strategy depicting him as uninformed. In that way, according to Ropka, Bergquist would not be faced with tough questions during the confirmation hearings.

As noted above, a separate SOF Program in the FYDP, Program 11, was required by law. Several fundamental issues were still unresolved in late May. The staff completed a package for DepSecDef that would get a decision on these issues. Mr. Ropka told the staff that he had met with Mr. Bergquist to identify significant problems that needed immediate attention. Program 11 and the Charter were the two identified. Ropka said that he and Bergquist decided to "slow roll" Program 11. They decided it would be unwise to submit the Program 11 issues for a decision. They anticipated that the approved Program 11 would not pass Congressional muster and might antagonize Congress before the confirmation hearings. At confirmation Mr. Bergquist would be put in a dilemmatic position. If Program 11 was broken, Congress would demand that Bergquist promise to fix it. If he committed himself, he would have to battle on the issues in the building. This would alienate the bureaucracy. If he refused to commit to the improvements, Congress would reject his nomination. Hence, it was agreed that the Program 11 package should sit, not move.

The staff was not told that Ropka and Bergquist also agreed to "slow-roll" the OASD (SO/LIC) Charter. Mr. Ropka's Military Assistant (MA) told me that. He believed that the decision to delay should be an informed one. Bergquist also had an MA, assigned from his regular duties to the PD ADS (ISA)'s Office to watch after Mr. Bergquist's interests. I confirmed the "slow-roll" decision with him. I next went to Mr. Ropka. Mr. Ropka had recently emphasized the need to finalize the Charter package and forward it for signature to the SecDef. It was in final form. Mr. Ropka explained that he and Bergquist were anxious that there might be battles over some of the Charter's provisions. Mr. Bergquist should not be exposed to a decision to support it before his confirmation. Mr. Ropka told me that it was Bergquist's choice and, if I could convince him, the Charter would go to the Secretary.

I returned to Bergquist's MA. I provided him with the reasons why delay was inappropriate. Mr. Bergquist had already seen and read the briefing package of materials on the Charter, including the processing Directive and sample Charters of other offices. He had seen the final Charter package recently prepared for SecDef. The MA told me that he transmitted my rationale for going forward. Mr. Bergquist said that he would see me the following day at his DOJ office. The MA informed me then that Mr. Bergquist had asked some members of his DOJ staff to draft a new Charter. A copy was at his office. The MA said the Bergquist now planned to replace the final, staffed version in the package prepared for SecDef with his new version. That action would, of course, start the lengthy staffing process all over.

The Charter is a Directive of the SecDef to all DOD components, pronouncing the relationships, responsibilities, functions and authorities of the particular staff office. Every OSD officer has a Charter. Within DOD it has the force of law, implementing the primary authority's delegations of power and charging the specific duties. In this instance the finalized Charter wove the statutory objectives through the interstices of DOD systems, relationships, and complex of preexisting responsibilities and functions. It also defined legal limits, since certain decisions or actions cannot be delegated and others have been delegated elsewhere, in whole or part. Without a Charter specifying certain functions, no meaningful activity occurs. Until now the staff had worked under the ASD (ISA)'s Charter. The only logical basis for organizing and staffing the OASD (SO/LIC) would be a signed Charter. Because of its fundamental importance as a basis both for organization and action, I fought the delay.

In late June I met Mr. Bergquist at DOJ. The meeting lasted 40 minutes. It went essentially as follows. He told me that he saw in the DOD component staffs coordination documents that there was opposition to provisions of the Charter. He said

that he had no substantive objections to the Charter's statements. However, he did not want to "use his silver bullets" to fight a battle over the Charter. He showed me the Charter that he had his DOJ Staff prepare. It was a flat restatement of the portion of the law which established the position of the ASD (SO/LIC), and nothing more. It contained no specific statements of responsibilities or functions to translate or interrelate within DOD the elements of the law, SecDef's delegated authority, and the actions of this staff officer. He told me that such a Charter—his alternate version—could not be successfully opposed. It would, he stated, "leave it to the strength of his personality to get things done."

I argued against his positions. I explained that no other Staff Officer has such a blank check. Staff coordination would be hostile. Without specified Charter functions, he would be in constant conflict. Finally, Mr. Bergquist relented and stated that he would call Mr. Ropka the following day to advise him to submit the finalized Charter package to SecDef. He closed with the comment that he would pull the Charter back if there was real opposition at the SecDef level.

Until this date a proposed Charter has not been forwarded to SecDef.

I have been bothered by a deep concern for the success of the law as a result of that meeting. He is a lawyer and, therefore, must know that a flat restatement of the law creating a position cannot successfully implement it within a vast executive agency. What about others asserting their authorities? Why would he turn to his DoJ staff to draft a DoD Directive? Why did he believe that his proposed Charter could be so fundamentally different from that of every Officer's Charter and yet not be strongly opposed? If he truly believed that he had such personal strength why would he refuse to fight for a strong Charter—not just for himself but for whomever followed? Why was he so willing to allow an unknown period of delay while awaiting an undetermined date for a confirmation hearing. How is his reluctance "to use my silver bullets" any different than a predisposition to avoid the crucial battles necessary to advance the purpose of the law? What prescient powers allowed him to choose so facily the times "to use or not use" silver bullets. Why not testify forthrightly to Congress and use commitments there to justify his actions in DoD? Or was it all a sham to silence an unforeseen, uncooperative action officer?

My tour of duty ended in July. I have followed the progress of the Bergquist nomination with continued concern. It is now December and I question whether a candidate truly committed to making a contribution would not have unselfishly withdrawn himself to allow a more acceptable candidate to come forward.

Substantial warnings counsel against entrusting Mr. Bergquist with the grave responsibility of the ASD (SO/LIC). His candidacy began, but must not successfully complete, a tainted selection process. Candidates were selected, and others rejected, by an other than disinterested arbiter operating without discernable standards. Goldwater-Nichols required early identification of qualifications to provide the SecDef and the President with standards to measure the stature of the person to carry out effectively the duties and responsibilities of the Office. Little more than passing thought was given this serious duty. Presidential Personnel's own minimal qualification were only half satisfied. If LTG Tixier was the preferred candidate because of politico-military and theater level experience, Mr. Bergquist cannot be qualified to replace him. He lacks these attributes and active duty special operations experience, as well.

The selection process cannot produce a satisfactory outcome when it is controlled by the DoD official who has the most to lose from the choice of a sturged, vigorous proponent of the law. Mr. Armitage solicited his former subordinate who lacked substantive experience for the job and then replaced him with someone philosophically opposed to the position he seeks. First, Mr. Armitage opposed the law creating the position he took charge of filling and then sought to move his PD, Mr. Ropka, firmly into a controlling position. For permanency Mr. Armitage inserted Mr. Ropka into Mr. Bergquist's choice of a PD. In the background stands a sad history of weak efforts to lead change in the direction of the law's objectives and a contrasting bright history of success in achieving self-determined objectives.

Substantial warning leaps from Mr. Bergquist's own conduct. It is not the conduct of a vigorous advocate to achieve the most desirable, and the most opposed, objectives. In contrast it is the conduct of someone more interested in the position itself than its value to achieve difficult but desirable ends. Mr. Bergquist opposed the position he seeks in theory and then after its statutory creation touted his opposition to Mr. Oppenheimer as entre to the job. At every turn he has agreed with advice that proceeds from the view that relations with Congress are a manipulative game: feign ignorance of the material while simultaneously learning it, "slow roll" Program 11 to avoid promises which would require salutary action. Despite warnings from Cowan and substantial voices in the community, Mr. Bergquist seemed pre-

pared to compromise the success of his office while assuring his attainment of it. Mr. Bergquist told his future boss that he didn't know Bill Cowan, but, in fact, had recently met him and frequently talked with him. He reneged on a significant commitment to make Cowan his PD. He seems to use interchangeably DoJ staff, stationary and time with DoD and personal activities. He indicated that he was able to achieve a lot with the strength of his personality, agreed and promised to tell Ropka to move the Charter and yet nothing happened. He sought to derail the Charter process to avoid undetermined, bureaucratically regulated, opposition. He seemed prepared to substitute an extremely broad, vague scope of authority in a statute of crisp, specific duties and general responsibilities, with institutional reference points for both the limit and grant of power. Finally, there is a disquieting concern that Mr. Bergquist has little interest in his future LIC responsibilities or, perhaps, sees most of those belonging to Mr. Armitage. The lack of equal briefing interest and emphasis, especially in the lack of country specific and regional briefings, in the LIC area promises ill. These problems, it seems, would warrant the earliest and deepest briefings on the schedule. This is not the profile of a candidate who should be expected to engender trust and confidence in the policy planning and oversight of covert, clandestine and political sensitive special operations activities, and overall supervision of DOD LIC activities.

The irony of this entire legislation and specifically this very piece of it is that if properly implemented a mechanism would exist to prevent a repeat of the Iran-Contra situation. Properly implemented requires the selection of well qualified persons dedicated to fulfilling the laws passed by our elected officials and working in consultative processes with them. The ASD (SO/LIC) will have to produce a degree of trust and respect with Congress and the people expected to implement SO/LIC actions in the field. I am sad to say that Mr. Bergquist's past leaves nothing but doubts.

Chairman NUNN. Thank you very much. As I understand the testimony, Mr. Koch has testified in general that the committee ought to defer to the Secretary of Defense, and since he has come out for this nomination strongly, you would favor the nomination; is that correct, Mr. Koch?

Mr. KOCH. Yes, sir. I think we would lose a great opportunity to wrap the Secretary of Defense into this initiative, if we do not confirm.

Chairman NUNN. Mr. Kieff, you have testified you believe he should not be confirmed?

Mr. KIEFF. That is correct, Mr. Chairman. And if I may address this particular point that you have asked Mr. Koch about, Mr. Carlucci is certainly not in a position to manage—is not in the position of day-to-day management of the affairs of the Department. It is quite obvious that the information, positions, options, and the significant points that reach him are going to be determined by the vigour and quality of his principal staff assistant, the one who will fill the position at issue. And in fact, there may be even some question that Mr. Carlucci's friendship—and I don't mean to at this point to denigrate his objectivity but his overall desire to wrap his arms around this candidate—may in fact dilute some of his top down concern with the job that Mr. Bergquist may be doing.

I would also like to point out that I do not think Mr. Carlucci, if his commitment to this body is sincere, would not also be committed to a follow-on candidate, which he certainly would have a significant role in choosing, and I am sure would back, just as well as he is willing to back Mr. Bergquist.

Chairman NUNN. Now, General Stilwell, you gave us the qualifications, but as I read your testimony and heard your testimony, you did not come out one way or the other, for or against this nominee; is that correct?

General STILWELL. That is correct, sir. I was asked to provide my concept of the array of qualifications that I believe any nominee should possess, prior to accession to the job.

Chairman NUNN. Would you like to comment on whether you believe this particular nominee has those qualifications?

General STILWELL. No, sir, I am not in a position to do so, sir. I simply do not know the nominee that well.

Chairman NUNN. Thank you. Mr. Kieff, you were here, I believe, for part of the testimony of Mr. Bergquist this morning.

Mr. KIEFF. I was here for all of it, Mr. Chairman.

Chairman NUNN. Are there differences between his testimony and yours? And if so, would you tell us your impression of what those are?

Mr. KIEFF. Yes, there is. But I would like to amend what I just said. I was not here for the executive session.

Chairman NUNN. Well, right, we understand that.

Mr. KIEFF. Mr. Chairman, this morning Mr. Bergquist testified, I believe it was to one of your questions Chairman Nunn, that he was not privy to the internal processes of DOD. I think he said something like "I do not know what has gone on in the past." The question came up in regard to the implementation steps that have been on-going since the time that Mr. Bergquist himself was chosen by the Secretary of Defense. That was approximately April 24.

I know that Mr. Bergquist has been over to the Department of Defense a number of times, almost from the start—I would say about the 1st of May. Mr. Bergquist received both classified and unclassified material on all of the historical, as well as the present activities that were going on in implementation of this law.

He was briefed continually with regard to special operations activities matters. He has had innumerable time with the staffs, apparently with Mr. Armitage, as his own statements indicated, and obviously with Mr. Ropka.

I also know from statements made by Mr. Ropka, and from Mr. Bergquist himself, that he has played a role in some of the policy development that has gone on during that period of time.

So in that respect, I think that his answer is not complete when he says that "I do not know what has gone on during that period of time."

I also would like to point out that Mr. Bergquist said, in regard to Senator Kennedy's question about joint training, that he had not had time for such joint training because of his duties on the Hill. I think we have to go back a little further in time to Mr. Bergquist's own military background. That starts in 1967 and carries him through 1974. It is apparent by his own testimony that he did not seek any of those active duty special operations training experiences, or actual active duty special operations experience itself. It is also interesting, with regard to this background, that Mr. Bergquist has only written—or actually been recorded—at the one discussant role that he played. And, he was not aware of the legislation itself. I am talking about the law creating the position for which he is now asking to be confirmed. He testified that he was not aware of the legislation. But, he seems, just at this point, to become interested in the job. What I am suggesting is that he does not have the historical background, nor the understanding of the

issues, nor the understanding of the difficulties in this area, that would be necessary for a candidate.

But specifically, with regard to joint training, there are other areas that he could have, other courses he could have taken. He might have gone on active duty to take the active component's Special Forces Officer Course or he could have taken the PSYOPS (psychological operations) course. He could take many of the courses offered at Hurlbert Field which are of shorter duration. And, I think that there were throughout the defense establishment, for example, in the National Defense University, courses which deal with the conceptual aspects and the planning aspects of special operations activity.

Another point which goes to the theater level, joint experience question, Mr. Bergquist pointed out that, in the 1974 timeframe, he had joint experience in REDCOM. This answer was in response to a question specifically whether he had joint special operations activity experience. That experience in REDCOM was not, however, special operations experience. It was in regard to a conventional exercise. He played a role for 2 months as an action officer in writing what they call "MSELS", which are scenario types of promptings for an exercise that was going on at the time.

So I do not think that that can qualify, in any respect, as joint special operations experience.

I would like to also point out that he says he did not know Mr. Armitage, and yet I have seen, I believe it was a November 24 letter from Mr. Bergquist to Mr. Armitage that starts his candidacy, and it says, paraphrasing: "I enjoyed meeting you several weeks ago when we discussed this position of the ASD (SO/LIC). I would like to be considered for it." So there was apparently a prior relationship of some type. Of course, Mr. Bergquist may be using the word "know" in saying he didn't "know" Mr. Armitage, in a manner similar to when he talked to the Secretary of Defense and said "I don't know Mr. Cowan." It may mean that he considers knowing to be a much more substantial relationship.

Chairman NUNN. I am going to have to interrupt right there. And I will let you complete that answer in just a minute.

But we have a vote on now. I do not know what the pleasure of the committee is. I am not going to be able to return for about an hour. And Senator Kennedy, are you going to be able to get back?

Senator KENNEDY. They had, I guess, the Secretary of State's briefing for members following this, which I wanted to attend.

I regret, I apologize to this panel. I will read through those statements.

I would like to attend that briefing. Maybe we can work out other questions after we have a better chance to read the record.

Chairman NUNN. Senator Cohen, could you return?

Senator COHEN. I could come back. Could I inquire of the Chair of this letter from Kathleen Buck? It seems to me to be indicating that since there was no statutory definition of the job requirement, therefore, all they have is what is contained in the statute itself as far as qualifications.

Is that the implication.

Chairman NUNN. Well, I read also that she says that she does not see the word "written" in the statute, and therefore, they do

not think they have to give any kind of written qualifications to the President. That is the way I read it. Oral seems to suffice.

Senator SYMMS. Mr. Chairman, could I just ask one question before I have to go? I wanted to go to the Secretary's briefing also.

Chairman NUNN. Yes. And Senator Cohen, I will ask you to preside after we get back from this vote.

Let us take this one question.

Senator SYMMS. It is my only question for now. General, you answered my other question and said that you were not taking a position on Bergquist. And I understood right, Mr. Koch, you said you thought it would be better to have Bergquist now.

And you say you are against him, Mr. Kieff, is that right?

Mr. KIEFF. Yes, sir.

Senator SYMMS. OK, do you have a candidate to recommend to this committee?

Mr. KIEFF. No, I do not, Senator Symms. What I am concerned about is that the process of selecting the candidate be a proper one.

As the Senator knows, it is going to be an executive branch choice as to who a candidate is. I just think that they can do a far better job of shaking the tree, if you will, than they have done in the past. They have not even attempted it.

Senator SYMMS. General, do you have a candidate?

General STILWELL. No, sir.

Mr. KOCH. Senator, I have three, in no particular order. It would be General Stilwell, General Kingston, or General Wilson.

None of them seem to be persuadable to take it.

Senator SYMMS. Thank you very much, Mr. Chairman. Thank you, gentlemen.

Chairman NUNN. We will reconvene, Senator Cohen, at 10 until 4. We will take a recess until 10 minutes until 4.

I thank all the witnesses for being here. It has been very helpful. We appreciate your testimony.

[Recess.]

Senator COHEN [presiding]. The committee will come to order.

Give me that gavel. I am taking power here. I am going to ask, now that everybody is out of the room, unanimous consent that a letter from Lt. Gen. William Yarborough, dated October 6, 1987, addressed to me with a copy to Senator Nunn, along with a letter dated October 5, 1987, from General Kingston, and John Collins, also addressed to me, be included in the record at this point.

Without objection, it is so ordered.

[The letters referred to follow:]

SOUTHERN PINES, NC, October 6, 1987.

Senator WILLIAM S. COHEN,
Senate Hart Office Building,
Washington, DC.

DEAR SENATOR COHEN: I am writing to recommend that you support the nomination of Lieutenant General Samuel V. Wilson to fill the position of Assistant Secretary of Defense, Special Operations/Low Intensity Conflict.

Having worked in the field of irregular warfare for over a quarter-century and having known and observed Sam Wilson for as many years, I can say that he is by all tests the most highly qualified individual for that post, by any that are being considered seriously at this time.

I am well aware of your efforts toward improvement of the United States' posture for conduct of Special Operations and Low Intensity Conflict.

The positive effects of gathering the military SO/LIC assets together under USSOCOM are a tribute to your interest and persistence.

I am sure you realize that solving the military command part of the SO/LIC equation while extremely important is only the beginning. The much more complex task of fashioning a national level strategic instrument in which other U.S. assets and agencies can be welded with the military remains to be done. It is crucial that the position of ASD SO/LIC be filled by an individual who has exceptionally broad vision in perceiving and accepting the impact of domestic political factors upon American military strategy. The ASD SO/LIC must also be thoroughly familiar with the restraints which American mores impose upon many activities seen as departures from custom.

In this latter respect, the ASD SO/LIC must have the desire and the ability to work with appropriate elements of the Congress toward resolution of problems which will arise when SO/LIC activities enter unfamiliar areas in pursuit of unorthodox goals. Sam Wilson is such an individual.

As SO/LIC operations are heavily dependent upon intelligence, familiarity on the part of the ASD SO/LIC with the inner workings and individual characteristics of the various elements of the U.S. Intelligence Community is desirable. General Wilson as a former head of the Defense Intelligence Agency would bring this valuable experience to the ASD SO/LIC assignment.

In lieu of seeking answers to theoretical questions the panel examining the qualifications of the ASD SO/LIC nominee might seek his views concerning actual strategic situations such as that in the Philippines.

It is evident that CINCPAC has been unable to bring sufficient positive U.S. influence to bear upon the Low Intensity Conflict now in full bloom in that nation. Is this because of lack of resources, lack of firm political guidance, predominant orientation toward conventional war, or some other reason?

Since USSOCOM now controls the bulk of United States' SO/LIC assets, should these be made available to CINCPAC for use in the Philippines? If this were to be the case, is CINCPAC's staff configured to conduct LIC operations?

Where would the overall campaign strategy in which U.S. economic, political, psychological and military factors would be drawn together be formulated? Would there be any single individual or agency directly responsible for the conduct of a joint and combined LIC campaign in the Philippines?

It is true that the Philippine Government is reluctant to accept overt American advice and various kinds of assistance in connection with the crisis in her internal affairs. A psychological barrier stems from the perception that American LIC actions failed in Vietnam. Moreover, what Americans offer to the Philippines are the LIC formulas that were Filipino in origin having been distilled from the classical counterinsurgency successes of President Magsaysay in the early 1950's.

The personal bona fides of Lieutenant General Sam Wilson as ASD SO/LIC would do much to convince the Filipino Government that it should accept the kinds of assistance which he would recommend.

The boundaries between military, political, economic and psychological activities in the SO/LIC arena will be blurred and often overlapping. The ASD SO/LIC must therefore understand fully the parameters involved and be able to accept new and unorthodox challenges to custom, tradition and prerogatives without placing demands which are beyond the inherent capabilities of the military resources under his aegis.

Such judgments can come only from an individual who is more than academically or intermittently familiar with the SO/LIC elements of the Armed Services.

Among the other qualifications which the individual appointed to the position of Assistant Secretary of Defense, Special Operations/Low Intensity Conflict must have are the background and experience needed to ask questions which will lead to major policy decisions. The questions themselves will be a measure of the nominee's grasp of the intangibles which continue to inhibit United States' effectiveness in the realm of "sub-limited" warfare.

The ASD SO/LIC must be the conduit through which the forces he represents at DOD level are informed clearly as to what constitutes satisfactory accomplishment of an assigned Special Operations or Low Intensity Conflict mission.

This can be done only if the ASD SO/LIC himself has been made aware of the specific nature of United States national interests which are at stake in any given situation in which the use of forces under his aegis are directed. As it is often difficult to describe national interests in neat and unequivocal terms, the ASD SO/LIC should have a background of experience in strategic thinking which will enable him to translate broad principles and general objectives into goals and missions which are clear-cut and unambiguous.

It is my belief that Sam Wilson would be the best choice for appointment as our Nation's first ASD SO/LIC.

Sincerely,

WILLIAM P. YARBOROUGH,
Lieutenant General USA (Ret.).

OCTOBER 5, 1987.

Senator WILLIAM COHEN,
Armed Services Committee,
U.S. Senate, Washington, DC.

DEAR SENATOR COHEN: Most authorities agree that low intensity conflicts (LIC), typified by current altercations in the Persian Gulf, will pose the most probable threat to U.S. security throughout the rest of this century. Means to prevent and, if need be, cope with such contingencies should be high priority concerns in Congress and the Executive Branch.

Relatively low cost, low profile special operations, properly employed before and during LIC, could contribute important, even decisive, deterrent and defense capabilities. They also constitute potentially valuable force multipliers at every other level on the conflict scale.

Bearing that background in mind, we suggest qualifications in four basic categories the Senate might wish to consider when it deliberates whether to confirm or refuse nominees for Assistant Secretary of Defense, Special Operations/Low Intensity Conflict [ASD SO/LIC].

STATUTORY RESPONSIBILITIES

Law prescribes that the ASD SO/LIC supervise all associated DOD activities, including policy and resources. The ASD, to fulfill those responsibilities, must be thoroughly familiar with the following SO/LIC fields:

- Strategy, doctrine, and tactics;
- Personnel policies, procedures, and training;
- Combat readiness;
- Resource requirements and allocations;
- Special Operations Force (SOF) R&D;
- SOF procurement programs and budgets;

RELATIONSHIPS WITHIN DOD

Practical experience in SO/LIC plans and operations at national and theater levels both are desirable. The ASD should also possess the bureaucratic expertise needed to be an effective SO/LIC spokesman with DOD. The respect and confidence of the Secretary of Defense, Joint Chiefs of Staff, and commanders in chief of unified/specified commands are imperative in that regard. An impeccable SO/LIC reputation, extensive contacts in DOD's SO/LIC community, and impressive organizational/administrative skills are equally important. The ASD otherwise could neither attract a talented staff nor employ it professionally.

RELATIONSHIPS WITH OTHER U.S. SO/LIC

The ASD SO/LIC can function effectively as DOD's interdepartmental/interagency coordinator only if he understands the capabilities, limitations and operational methods of other U.S. SO/LIC elements, especially those in the National Security Council, State Department, Central Intelligence Agency, Federal Bureau of Investigation, Secret Service, and local law enforcement agencies. Personal contacts with such organizations are important.

RELATIONSHIPS WITH FOREIGN SO/LIC

Any proficient ASD SO/LIC must also be knowledgeable about SO/LIC elements in selected countries that are allied with and/or friendly to the United States. Practical experience training (even engaging in combat operations with) foreign SO/LIC forces and tight ties with their leaders would be beneficial.

On-the-job training is not advisable. The first ASD SO/LIC should be competent on confirmation day for at least three reasons: delays in the selection process leave little more than one year to serve at best; the designee will establish policies, procedures, priorities, and precedents that successors may find difficult to change; and he

must oversee an infant Special Operations Command (SOCOM), whose Commander in Chief must still rely on a staff with little SO/LIC experience.

Identical correspondence has been dispatched to Senator Nunn this date.

Respectfully,

ROBERT C. KINGSTON,
General, U.S. Army (Ret.).

JOHN M. COLLINS,
Senior Defense Specialist, Library of Congress.

Senator COHEN. It is kind of nice to be here this time of day. And basically, these letters, in essence, General Stilwell, confirm essentially what you were saying.

They set forth the kind of qualifications that they would expect would be required if this office is to be filled with someone who would command the respect of the community. These letters outline the experience and those kinds of qualifications that are necessary to make this position function effectively.

The letter from General Yarborough is very strongly in support of Gen. Sam Wilson. And of particular interest, I might point out, is that he focused on the Philippines, something that you have been very concerned about, sir.

And I will state for the record that Senator Nunn, myself, Senator Rudman, and others have had the benefit of extensive briefings from you about the problem that we have in the Philippines, and elsewhere; brushfire wars that are starting to spread rather uncontrollably, which makes this position all the more important in terms of the scheme of things.

Right now we are concentrating on SDI and negotiating limitations on strategic weapons and intermediate weapons, and it is important that we do so.

But there is the old expression, you know, a man who keeps his eyes focused on the stars tends to step in potholes, to put it more politely.

But what we have got to be concerned about are the potholes that are being generated by the kind of low intensity conflict that is being waged right now in the Philippines, in Asia, Africa, and indeed, in Central America.

So these two letters will confirm that we need somebody with real stature, such as General Wilson.

These letters should be a part of the record, along with your statement as well.

Mr. Koch, I would like to ask you, what is the significance of a Charter? You have perhaps not been aware of this, but I will just state for the record that there was testimony this morning regarding a Charter which had been drafted by Mr. Kieff. Mr. Kieff was called onto active duty for some 4 or 5 months in order to prepare a Charter for the new Office.

It is fairly detailed, and frankly, Mr. Bergquist found nothing wrong with the Charter; agreed with the provisions that it contained; and yet, according to his statement, it ran into some bureaucratic obstruction; therefore they decided to do away with the Charter as such, not deal with it, but simply restate the law as passed.

Generally, for purposes of the act, it includes a definition of low intensity conflict, and that is it.

What function does the Charter serve, in your experience?

Mr. KOCH. Senator, I have not read the Charter, so I do not know what precise point is at issue—if you will permit me to speculate, my guess would be that the object of the Charter would be to clarify, as rigorously as possible, what the role of that office is.

And if there was a bureaucratic objection to it, which obviously there is, it would be the old bureaucratic objection which we have confronted consistently throughout this effort of wanting to keep this thing as vague as possible in order to make it easy to unravel.

That would be my guess, anyway.

Senator COHEN. Well, in your experience, have you seen a Charter which is simply a restatement of the law itself? In other words, what we have is about a 2-page statement which repeats the language of the statement, as far as the Charter is concerned, as opposed to defining areas of jurisdiction, lines of responsibility, basically the thrust of where that office is going.

Mr. KOCH. I think in candor, Senator, I would have to say, I am not familiar with Charters generally. If there's a Charter for every single role and function in that building, then it would occupy a hell of a lot more paper than anybody is ever going to read.

Senator COHEN. You think that there are some assistant secretary positions that have no Charter from the Department?

Mr. KOCH. I do not know that.

Senator COHEN. General Stilwell?

General STILWELL. Well, the norm in the Department of Defense, sir, is a series of functional statements; not normally, or ever in my view, called Charters. But which do define the functions for which the several assistant secretaries have primary or collateral responsibility, and attempt to define their coordinating authorities and their interrelationships with the other elements.

Senator COHEN. Does that not become important in terms of dealing with the other elements that might question your jurisdiction?

General STILWELL. Well the law is fairly specific as far as this special operations function is concerned. But the law is very vague with respect to the low intensity conflict.

And certainly, there has to be something ultimately for the assistant secretary, something more definitive than the law itself, as regards that particular function.

Senator COHEN. Well, Mr. Koch, does it reflect to you, then, that this is sort of business as usual in terms of posing obstacles to taking some sort of definitive action, or outlining what the goals, direction, authority is going to be, by trying to obviate or just dismissing the Charter?

Mr. KOCH. I think you could draw that inference from it, Senator. But another that you could draw, if I were coming into that job, and it was not—the terms of reference, which I use for the word "Charter"—were not already clearly defined, then I would do my level best to keep it vague until I got into that office, and I could define it to suit myself.

So, you know, one can quarrel about what the motives are here. But if I may, this question the way it shapes itself is, they have put themselves into some sort of a dismissive mode vis-a-vis this Charter.

And this really is central to this issue, is who that they is. Right now, there is nobody running this thing. So who is it—who are these malefactors that are doing us wrong?

Senator COHEN. Well, Mr. Kieff has indicated that Mr. Ropka had some experience here, or was involved in suggesting that we just set aside the Charter, or the terms of reference that had been proposed, and that Program 11 be slow-rolled until after confirmation.

Mr. KOCH. See, here is the thing that troubles me, Senator. You can—if you take the position of the building, if I were in the building, and I had to defend this mess——

Senator COHEN. Which mess?

Mr. KOCH. Well, let us call it generically the mess that brings us together today, other than—without everything outside this confirmation question.

I probably would say, you know, we have floated a series of names, which you, you being the collective Members of the Senate, have found not to your liking. And so that job goes unfilled.

And we do not want to do anything that is going to preempt the rights and responsibilities of the guy that is ultimately going to fill that job. Indeed, he may be your man. He may be somebody that we finally just give up and say, you give us a guy and we will stick him in there, and now we have got this Charter that he does not like.

And so, I think you take my point. That is either an infuriating lie, or it is an infuriating truth. But neither way, you are four-letter-worded.

Senator COHEN. Well, I would like to put it back in the context of what occurred. Mr. Kieff, you were called in to prepare these terms of reference or Charter, is that correct?

Mr. KIEFF. That is correct, Senator Cohen.

Senator COHEN. And what were you doing prior to being called for this specific task?

Mr. KIEFF. I was an attorney in civilian life, and I am also a Reserve officer. That is the occasion for coming back on active duty.

Senator COHEN. And you have had, what, some 23 years of background in the field of special forces?

Mr. KIEFF. That is correct, Senator.

Senator COHEN. Four tours of duty in Vietnam?

Mr. KIEFF. Correct, Senator.

Senator COHEN. And also a practicing attorney. And who called you in to draft the Charter?

Mr. KIEFF. Mr. Armitage.

Senator COHEN. Mr. Armitage called you?

Mr. KIEFF. Yes, he did, Senator.

Senator COHEN. And you spent how long in preparing this Department of Defense directive?

Mr. KIEFF. The preparation lasted about 4 months—3 to 4 months—and, then, the processing of it for the rest of the time on active duty, for a total of 5 months.

Senator COHEN. Then what occurred? You took this directive or Charter to Mr. Bergquist to talk to him about it?

Mr. KIEFF. No, that is another incorrect point, Senator. I never briefed Mr. Bergquist on the Charter.

What in fact happened was, I learned of a decision by Mr. Bergquist, Mr. Ropka, to slow-roll the Charter. And I think——

Senator COHEN. How did you learn about that?

Mr. KIEFF. One of the military assistants who had sat in on the meeting where that decision was made informed me. He was aware of the amount of time and effort which I had put into the Charter, and he wanted me to know what was being done.

Senator COHEN. And why was it to be slow-rolled?

Mr. KIEFF. Well, the only answer I can give to that question is what Mr. Ropka told the staff. And frankly, what I learned I think subsequently, I think, confirms that.

And, that is, there was concern that there was opposition to the Charter; that Mr. Bergquist, in taking any positions with regard to it, would come out either tarnished, from the standpoint of the Senate confirmation process, or he would come out put into a position of not being able to deal with the bureaucracy that he is going to have to do battle with.

Senator COHEN. Well, is that not rather curious that he would be tarnished by the people here who support the legislation?

I do not understand the rationale for that. What you are saying is, he would be tarnished because of opposition within the bureaucracy to the Charter.

Mr. KIEFF. That is correct, Senator. But, part of the rationale and the discussion that went on, both with regard to Program 11 and the Charter, was: If Mr. Bergquist does not take a strong stand while these issues are moving forward in the Department, and then comes to confirmation—for example if there is a completed Program 11 that is not strong and does not address the congressional intent fully, or if there is a completed Charter that does not address the congressional intent fully—and Mr. Bergquist comes to confirmation with such a background, he will then have to account to this committee for those results.

Senator COHEN. And if it is too strong, then he is going to have opposition from within his own Department?

Mr. KIEFF. That is correct, Senator, if he takes the position—for example, even here—and commits to correcting defects that have already occurred, then when he goes back to the building he will be put in a position of obviously working toward that commitment.

Senator COHEN. All right. So after you prepared this Charter and terms of reference, what occurred? You heard about Program 11 being slow-rolled. You heard about the Charter being slow-rolled. What happened?

Mr. KIEFF. I went to see the military assistant to Mr. Bergquist, and then I went to see Mr. Ropka, and confirmed that the decision had been taken to slow-roll.

I told them that I thought that was a very bad idea; I gave them the rationales for it; and, I made an appointment through his Military Assistant to see Mr. Bergquist.

Mr. Bergquist wanted or agreed to see me.

Senator COHEN. What is your judgment as to what has been accomplished in the past year with respect to Program 11 and the formulation of a Charter or terms of reference for the office?

Mr. KIEFF. Senator, let me first correct this "terms of reference" idea. There is no assistant secretary, no undersecretary, and no sig-

nificant officer in the Department of Defense, that does not have a Charter. A Charter is in fact, as it says on top, a directive from the Secretary of Defense. The officer who serves at the will of the Secretary of Defense obviously follows the Secretary of Defense's expression of the responsibilities of the office stated in this directive.

So the "terms of reference" is not a proper name.

Senator COHEN. We will call it a Charter.

Mr. KIEFF. It is a Directive Charter. And, what in fact has occurred is that there is no Charter, despite Mr. Bergquist's statement to me that he intended to call Mr. Ropka and move the Charter package forward. It was at Mr. Ropka's desk at the time. It was fully final, prepared to go to the Secretary of Defense, through Mr. Armitage, for executing signature. That has not occurred.

With regard to Program 11, I think this committee is aware that there was substantial delay, up until just before the Secretary's performance review in September. They then arrived at a Program 11 decision. That, I think, still lacks, and I believe this committee will find out that it lacks, some of the substantial elements, as well as some of the programmatic responsibilities which you set in the law. I also think it is important with Mr. Ropka and Mr. Bergquist's decision to slow-roll Program 11, that we look at the effect of it. It has, in effect, postponed the Commander in Chief Special Operations Command's, and the Staff of the OASD SO/LIC's ability to deal effectively with the Program 11 elements for another 2 years. It has in effect left the status quo.

Senator COHEN. Senator McCain.

Senator MCCAIN. Thank you, Mr. Chairman. General Stilwell, it is good to see you again, sir.

Have you had a chance to look at Mr. Bergquist's biography, at his background, his experience?

General STILWELL. No, sir.

Senator MCCAIN. I would be interested in your view of his biography as to whether you feel that entails sufficient qualifications for the job. If you get an opportunity, I would appreciate it if you would take a look at it.

Mr. Kieff, you stated that Mr. Bergquist, in the 1960's and 1970's, did not actively seek assignments in special operating forces and other areas that would be along this line.

What evidence do you have of that?

Mr. KIEFF. I have seen Mr. Bergquist's résumé, Senator.

Senator MCCAIN. Somewhere in his résumé, I did not actively seek duty with special operations forces?

Mr. KIEFF. I understand the question, Senator. I am fully aware that during that period of time, there was a demand, especially in Vietnam, for officers from outside special forces to fill empty positions in special forces. It was very clear that anybody who—that demand went out in a number of different ways—it was very clear that anybody who wanted to fill one of those positions would have had it. But, I am also speaking to the ability of an officer to manage some of his own training, to receive some of the special operations and LIC experience. And I think Mr. Bergquist has the same ability as any other officer. What he in fact got was not the special forces active duty officer training that we had spoken about.

Senator McCAIN. Mr. Kieff, I must tell you as a person who had served for many years in the military, and there are demands in the Navy for people in certain areas of work, not all of us were able to get into those areas for a variety of reasons.

We might be needed in specialties in which we were presently assigned. We may not be up for rotation. There is a variety of reasons for doing so.

And to make the—reach the conclusion that because Mr. Bergquist did not serve as a member of the special forces, somehow, gives you the conclusion that he did not actively seek it, I think is to some degree unfair to the witness.

You also allege that somehow his friendship with Mr. Carlucci gives you concern. Is that right? Did I understand you correctly?

Mr. KIEFF. It does not by itself give me concern, Senator. What I responded to was Mr. Koch's contention on the other side that that friendship could somehow be advantageous to this overall effort. I think it has to be looked at from both aspects. And, I think also that Mr. Carlucci will do his job, that is certain, with regard to whomever is in this position.

Senator McCAIN. Well, let me point out again, if I were Mr. Carlucci, I would be looking for friends, friends with experience both on the Hill and in other areas, to serve with me, given the complexities that exist within the Pentagon.

Also, it has just been pointed out to me by staff, there is some difference between special forces and special operations, Mr. Kieff. I hope that we are not setting up a command or an assistant secretaryship that simply is engaged in oversight of special forces work.

I hope that we are talking about an entirely different gamut of operations. And the fact that somebody did not serve in special forces frankly it puzzles me how that could even be a factor, given that we assign people across different kinds of duty in the military to give them a greater breadth of experience.

I was half jokingly talking with my friend Senator Cohen on the way over. We had a Secretary of the Air Force who's previous qualifications, as far as I could tell, was that he was an excellent car dealer.

And we had a Secretary of the Army that once served in the Congress—I think we still do—once served in the Congress.

We once had a Secretary of Defense, tragically, during the Vietnam war, whose claim to fame was that he invented the Edsel.

So I must say to you that if I looked at Mr. Bergquist's qualifications as opposed to some of those who are appointed on a regular basis, not just in the Department of Defense, although that is certainly the area that we are addressing today, I would say that he probably has more qualifications than most individuals that I have seen nominated for these positions.

So I would probably, I assume, from talking with my colleagues, that they share my view.

But I have just one other question for you. You said one of the military assistants that was in the meeting told you that the Charter was to be slow-rolled.

Who was that military assistant?

Mr. KIEFF. Senator, I would prefer—

Senator McCAIN. That is what I thought. Thank you.

Mr. KIEFF. All right, I can say that it is in my statement, what his particular job was. And his name, therefore, was obvious to anybody. But there is no need, I believe—

Senator McCAIN. Perhaps you would say his name?

Mr. KIEFF. There is no need to mention his name.

Senator COHEN. Not that it would make any difference to Senator McCain.

If I could come back to you, Mr. Kieff, what was your testimony with reference to seeing Mr. Armitage or being told about Mr. Armitage's list of nominees?

There have been some statements about that in Defense Week, that either you or someone had seen a list in which Mr. Bergquist was number five on this list. Next to his name was an asterisk.

Mr. KIEFF. Senator, it was not an asterisk. It was a notation, a handwritten notation, to the effect, "opposed legislation" or "he opposed legislation."

Senator COHEN. And finally, Mr. Koch, on page 3 of your statement, it says, it is my understanding that Mr. Carlucci defends the nominee as having taken the, quote, "building's position on the legislation." But the building's position was to oppose the legislation, which is what the nominee is accused of doing, and now he dismisses this as a misunderstanding.

What is especially perplexing is that the nominee was not in the building at the time the issue was joined, and had no institutional purpose in taking the building's position.

That is a conundrum which I am not sure we ever fully exited from.

Mr. KOCH. I think the two paragraphs following that begins with the words, Senator, it is a conundrum. But I do not know what the question is.

Senator COHEN. Well, I guess what it comes down to, you are saying there are these doubts. You have been in the middle of battle. And in fact you resigned in frustration at what was taking place.

If this nominee were proposed by Secretary Weinberger, and that were the issue today, would your conclusion be the same?

Mr. KOCH. No, sir.

Senator COHEN. It would be different?

Mr. KOCH. Yes, sir.

Senator COHEN. So in essence what you are saying is, you have got a new man. He decides to keep the choice of his predecessor. And you want to give him the benefit of the doubt to see whether that choice will in fact fulfill the mandated mission?

Mr. KOCH. Essentially that. I have elaborated on that in my statement.

Senator COHEN. But essentially what you are saying is, we just gave Carlucci a mandate, and you do not want to see him rebuffed first time out of the box, so to speak, with a new secretary.

Had this man been nominated by Secretary Weinberger, as he was, and that were the issue before the committee, you would indicate your opposition to the nomination?

Mr. KOCH. I think that is essentially correct, Senator. But let me add to that if Secretary Weinberger had demonstrated an aggressive interest in special operations forces and in this restoration

effort—and I ought to say, we both know that he supported it, but he did not support it to the point where he was willing to push against the opposition in the building to support it—so if that were not the case, I could have supported that.

But if that were the case, it is possible that Mr. Bergquist would not have been his nominee.

So we just have no way of knowing that. But Secretary Carlucci has been up here on behalf of this, as I understand it. And we have gone through this experience of rejecting nominees before they ever become nominees.

And I think that is frankly playing into the hands of the people in the building who object to this entire initiative. So I would rather bite the bullet and get somebody that we can beat on, or that you can beat on.

As it is now, you do not have anybody to hold responsible for this.

Senator COHEN. Why do we not just bring Secretary Carlucci and beat on him?

Mr. KOCH. Sir?

Senator COHEN. Well, we could just bring up Secretary Carlucci.

Mr. KOCH. Well, he has effectively nominated himself as the overseer of this initiative, it seems to me, by his advocacy of Mr. Bergquist.

Senator COHEN. I think that is all the questions that I have. There may be more by other members.

And I want to thank you gentlemen for appearing today. And the committee will stand in recess.

[Whereupon, at 4:15 p.m., the committee adjourned.]

NOMINATION OF ROBERT C. DUNCAN, TO BE DIRECTOR OF DEFENSE RESEARCH AND EN- GINEERING

FRIDAY, DECEMBER 11, 1987

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The committee met, pursuant to notice, at 9 a.m., in room SR-222, Russell Senate Office Building, Senator Jeff Bingaman presiding.

Present: Senators Bingaman and Thurmond.

Staff present: Arnold L. Punaro, staff director; Carl M. Smith, staff director for the minority; Jeffrey H. Smith, general counsel; Patrick A. Tucker, minority counsel; Gerald K. Bankus, professional staff member; and Pamela G. Powell, staff assistant.

Also present: Jeffrey B. Subko, assistant to Senator Exon; Charles C. Smith, assistant to Senator Dixon; Donald A. Mitchell, assistant to Senator Glenn; Terrence Lynch, assistant to Senator Shelby; and Samuel J. Routson, assistant to Senator Symms.

OPENING STATEMENT BY SENATOR JEFF BINGAMAN, PRESIDING

Senator BINGAMAN. Let's call the hearing to order.

I think some of our colleagues will be here as the day progresses. We were in a little late last evening, and I am sure that explains the absence of some of our folks.

The committee meets today to consider the nomination of Robert C. Duncan, to serve as the Director of Defense Research and Engineering.

Dr. Duncan is currently serving as the Director of DARPA and the Assistant Secretary of Defense for Research and Technology, as well as acting as the Director of Defense Research and Engineering.

Dr. Duncan brings to the position an excellent background in both industry and Government, which should serve the Pentagon and the Government, the country, well.

As we all know, this past year has involved substantial turmoil in the defense acquisition system. We have seen the senior acquisition official in the department resign in frustration. After a year-long effort to implement legislation and the key recommendations of President Reagan's Blue Ribbon Commission on Defense Management, we have seen many of the positions in the defense acquisition structure remain unfilled, and we have seen what appears to

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be a continuing "turf battle" among senior officials in the services and in the Office of the Secretary of Defense.

We need to put an end to this because our national security suffers in this kind of environment. The budget summit and Defense Secretary Carlucci's recent budget guidance to the department makes it clear that for the foreseeable future, large growth in the defense budget is a thing of the past.

In the belt-tightening ahead, we need to ensure that we get more defense capability for fewer dollars. We must ensure technology development retains a high priority, and we need to ensure that we focus our technology work against our most demanding missions.

We also need to focus our technology on obsolescing the Soviet conventional advantages. These are all key roles of the Director of Defense Research and Engineering. This demands that we all exercise careful management and oversight. This does not necessarily mean micromanagement, but it does mean stronger policy direction and priorities to the services from the OSD acquisition organization and a willingness to enforce that policy.

This organization must play a significant role in major programmatic decisions. The DDR&E must ensure that we are pursuing those technologies with the most promise and not "bobbing for every apple" in the service barrel.

It is critical that the department's resource allocation decisions are based on a thorough analysis of long-term implications. We are facing a bow-wave of future spending requirements because the department has started too many new programs without considering the long-term budgetary effect, with a major disconnect between future budgets and the amount of money available to pay for the current programs.

The Director of Defense Research and Engineering is at the front end of the decision process. This office is where the new starts begin. This office is where objective analysis and engineering judgment need to be applied to competing systems and tough decisions need to be made to terminate some of those systems.

This means that at times, choices must be made between and among different service programs and the services must be told to cancel duplicative programs in favor of another system.

If he does this job properly, the Director of Defense Research and Engineering is going to upset a substantial number of people. There are times when he is not going to be too popular with members of the industry, and there are times when he may not be too popular with Members here, on Capitol Hill. It is going to take some thick skin, but the need for change in our thinking on acquisition matters is too important for business as usual in the Pentagon.

Dr. Duncan, you have appeared before this committee before. You are welcome.

We are glad to have you here. We are pleased that your wife, Rosemary, has joined you for this hearing.

I also want to make clear for the record that the committee is considering you for the position of Director of Defense Research and Engineering, which is an executive level position. The committee has been informed that you will be vacating the position of As-

sistant Secretary of Defense for Research and Technology upon your confirmation and appointment as DDR&E.

At this time, I would defer to you for any initial statement that you may have, and then I would have a few questions.

[The nomination reference of Dr. Robert Duncan follows:]

NOMINATION REFERENCE

AS IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
October 6, 1987.

Ordered, that the following nomination be referred to the Committee on Armed Services:

Robert Clifton Duncan, of Massachusetts, to be Director of Defense Research and Engineering, vice Donald Alden Hicks, resigned.

[The biographical sketch of Robert C. Duncan, which was transmitted to the committee at the time the nomination was referred follows:]

BIOGRAPHICAL SKETCH OF ROBERT C. DUNCAN

Dr. Robert C. Duncan was appointed Director of the Defense Advanced Research Projects Agency (DARPA) on November 18, 1985, and was confirmed as the Assistant Secretary of Defense (Research and Technology) on July 23, 1986. In this dual-hatted capacity, he is the principal technical advisor to the Under Secretary of Defense (Acquisition) on space-related matters, and serves as the chief executive officer of an independent Defense agency responsible for research and exploratory developmental concepts that are not yet identifiable with a specific military requirement or service mission, or which relate to the function of more than one Military Service.

Dr. Duncan joined Polaroid Corporation, Cambridge, Massachusetts in 1968 and was elected a corporate officer and named Assistant Vice President in 1969. In 1975 he was elected Vice President of Engineering and from 1968 to 1975, he had the additional duty as Program Manager for the SX-70 camera and film systems.

From 1964 to 1968, Dr. Duncan was assigned to NASA, initially as the Assistant Director for the Electronics Research Center in Cambridge, and later as the Chief of the Guidance and Control Division at NASA's Manned Spacecraft Center in Houston, Texas. He was responsible for developing the guidance and control system for the Apollo spacecraft used in the lunar mission (command module and lunar module). Dr. Duncan served as Special Assistant to the Director of Defense Research and Engineering, Office of the Secretary of Defense, from 1961 to 1963, and was the Chief of the Space Programs Branch, Office of the Chief of Naval Operations from 1960 to 1961. Previously he had served operational tours in three Navy squadrons as a pilot of fighter and attack aircraft. Prior to Navy flight training in 1947, he served two years aboard the U.S.S. *Bremerton* (CA-130) in the Pacific and was stationed in China and Japan.

Dr. Duncan graduated with a Bachelor of Science degree from the U.S. Naval Academy in 1945. He holds a Bachelor of Science degree in aeronautical engineering from the U.S. Navy Postgraduate School, a Master of Science and a Doctor of Science degree in aeronautical engineering from the Massachusetts Institute of Technology. He is the author of one book, "Dynamics of Atmospheric Entry" (McGraw-Hill, 1962), he has co-authored three other books, and has published more than three dozen technical papers.

In 1964 Dr. Duncan was awarded the Legion of Merit for outstanding contributions in the field of inertial guidance and control. He was awarded the 1967 Norman P. Hays Award from the Institute of Navigation and in 1968 was awarded the NASA Exceptional Service Medal. He was elected to the National Academy of Engineering in 1981. Dr. Duncan is a Trustee Emeritus of the Forsyth Dental Center (Boston), a former member of the Industrial and Professional Advisory Council of Penn State University; member of the Executive Board, Norumbega Council, Boy Scouts of America; and a former member of the Board of Directors of the Charles Stark Draper Laboratory. He was awarded the Silver Beaver (1977) and the Distinguished Eagle Scout Award (1984) by the Boy Scouts of America.

Born in Jonesville, Virginia, Dr. Duncan is married to the former Rosemary Fleming of Pensacola, Florida. They have four children: Mrs. Melissa Keeney, Mrs. Babette Wilson, Robert and Scott.

[The Committee on Armed Services requires all individuals nominated from civilian life by the President to positions requiring the advice and consent of the Senate, and certain senior military officers as determined by the committee, to complete a form that details the biographical, financial and other information of the nominee. The form executed by Robert C. Duncan in connection with his nomination follows:]

UNITED STATES SENATE COMMITTEE ON ARMED SERVICES

Room SR-222

Washington, DC 20510-6050

(202) 224-3871

COMMITTEE ON ARMED SERVICES FORM

BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Complete all requested information. If more space is needed, use an additional sheet and cite the part of the form and the question number (i.e. A-9, B-4) to which the continuation of your answer applies.

PART A—BIOGRAPHICAL INFORMATION

INSTRUCTIONS TO THE NOMINEE: Biographical information furnished in this part of the form will be made available in committee offices for public inspection prior to the hearing and will also be published in any hearing record as well as made available to the public.

1. NAME: (Include any former names used.)

Robert Clifton Duncan.

2. Position to which nominated:

Director, Defense Research and Engineering.

3. Date of nomination:

October 2, 1987.

4. Address: (List current place of residence and office addresses.)

Home: [Nominee responded and the information is contained in the committee's executive files.]

Office: 1400 Wilson Boulevard, Arlington, VA 22209-2308.

5. Date and place of birth:

November 21, 1923, Jonesville, VA.

6. Marital Status: (Include maiden name of wife or husband's name.)

Married to Rosemary Fleming, March 19, 1949.

7. Names and ages of children:

Melissa Duncan Keeney, age 37; Babette Duncan Wilson, age 35; Robert C. Duncan, Jr., age 32; Scott Duncan, age 25.

8. Education: List secondary and higher education institutions, dates attended, degree received and date degree granted.

Ohio State University, 1941-1942, no degree.

U.S. Naval Academy, 1942-1945, B.S. (1945).

U.S. Naval Post Graduate School, 1951-53 B.S. (1953).

Massachusetts Institute of Technology, 1953-1954, S.M. (1954).

Massachusetts Institute of Technology, 1957-1960, Sc. D. (1960).

9. Employment record: List all jobs held since college or in the last 10 years, whichever is less, including the title or description of job, name of employer, location of work, and dates of employment.

Assistant Vice President of Engineering, Polaroid Corp, Cambridge, MA 1968-1975.

Vice President of Engineering, Polaroid Corp, Cambridge, MA 1975-1985.

Director, Defense Advanced Research Projects Agency, Arlington, VA 1985-present.

Assistant Secretary of Defense (Research and Technology), Washington, DC 1986-present.

10. Government experience: List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above.

None in last 10 years.

11. Business relationships: List all positions currently held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution.

None.

12. Memberships: List all memberships and offices currently held in professional, fraternal, scholarly, civic, business, charitable and other organizations.

National Academy of Engineering, life member.

13. Political affiliations and activities:

(a) List all offices with a political party which you have held or any public office for which you have been a candidate.

None.

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 5 years.

None.

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$100 or more for the past 5 years.

None.

14. Honors and Awards: List all scholarships, fellowships, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements.

Legion of Merit (1963).

NASA Exceptional Service Medal (1963).

Norman P. Hays Award—Institute of Navigation (1967).

Silver Beaver Award—Boy Scouts of America (1977).

Distinguished Eagle Scout Award—Boy Scouts of America (1984).

15. Published writings: List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.

Books:

"Dynamics of Atmospheric Entry", McGraw-Hill, 1962.

"Avionics Navigation System", contributing author, John Wiley & Sons (1969).

"Re-entry and Planetary Entry; Physics and Technology", contributing author, Springer-Verlog (1968).

"Guidance and Control Engineering; Proceedings of XVI International Astronautical Congress, contributing author, Polish Scientific Publishers (1967).

16. Speeches: Provide the committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated.

As Assistant Secretary of Defense (Research and Technology)/Director, DARPA, I have given a number of speeches on highly technical topics. I will be happy to make those available to the committee upon request. At this time, I am forwarding three speeches that are more pertinent to the broader R&D management responsibilities of a DDR&E.

17. Selection: (a) Do you know why you were selected for this nomination by the President?

Secretaries Weinberger, Taft, Godwin, and Costello have observed my work for 2 years during my tenure as Director, DARPA and Assistant Secretary of Defense (Research and Technology).

(b) What do you believe in your background or employment experience affirmatively qualifies you for this particular appointment?

A lifetime of work in R&D Management, 17 years in industry (Polaroid Corporation) and over 20 years in Government (NASA, DOD, Navy).

18. **Commitment to Testify Before Senate Committees:** Do you agree, if confirmed, to respond to requests to appear and testify before any duly constituted committee of the Senate?

Yes.

COMMITTEE ON ARMED SERVICES FORM

FINANCIAL AND OTHER INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Information furnished in Parts B through F will be retained in the committee's executive files and will not be made available to the public unless specifically directed by the committee.

NAME: Robert C. Duncan.

PART B—FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all business connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Has anybody made a commitment to employ your services in any capacity after you leave government service?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Is your spouse employed and, if so, where?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. If confirmed, do you expect to serve out your full term or until the Presidential election, whichever is applicable?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART C—POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients or customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.)

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Do you agree to provide to the committee any written opinions provided by the General Counsel of the agency to which you are nominated and by the Attorney General's office concerning potential conflicts of interest or any legal impediments to your serving in this position?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART D—LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Have you ever been investigated, arrested, charged or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county or municipal law, regulation or ordinance, other than a minor traffic offense? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Have you or any business of which you are or were an officer ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you ever been convicted (including a plea of guilty of *nolo contendere*) of any criminal violation other than a minor traffic offense?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Please advise the committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART E—FOREIGN AFFILIATIONS

1. Have you or your spouse ever represented in any capacity (e.g., employee, attorney, business, or political adviser or consultant), with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. If you or your spouse has ever been formally associated with a law, accounting, public relations firm or other service organization, have any of you or your spouse's associates represented, in any capacity, with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. During the past ten years have you or your spouse received any compensation from, or been involved in any financial or business transactions with, a foreign government or an entity controlled by a foreign government? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you or your spouse ever registered under the Foreign Agents Registration Act? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART F—FINANCIAL DATA

All information requested under this heading must be provided for yourself, your spouse, and your dependents.

1. Describe the terms of any beneficial trust or blind trust of which you, your spouse or your dependents may be a beneficiary. In the case of a blind trust, provide the name of the trustee(s) and a copy of the trust agreement.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Provide a description of any fiduciary responsibility or power of attorney which you hold for or on behalf of any other person.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, executory contracts and other future benefits which you expect to derive from current or previous business relationships, professional services and firm memberships, employees, clients and customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you filed a Federal income tax return for each of the past 10 years? If not, please explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Have your taxes always been paid on time?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Were all your taxes, Federal, State, and local, current (filed and paid) as of the date of your nomination?

[Note: Nominee responded and the information is contained in the committee's executive files.]

7. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

[Note: Nominee responded and the information is contained in the committee's executive files.]

8. Have any tax liens, either Federal, State, or local, been filed against you or against any real property or personal property which you own either individually, jointly, or in partnership?

[Note: Nominee responded and the information is contained in the committee's executive files.]

(The committee may require that copies of your Federal income tax returns be provided to the committee. These documents will be made available only to Senators and the staff designated by the chairman. They will not be available for public inspection.)

SIGNATURE AND DATE

I hereby state that I have read and signed the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

This 15th day of October, 1987.

ROBERT C. DUNCAN.

**STATEMENT OF DR. ROBERT C. DUNCAN, TO BE DIRECTOR OF
DEFENSE RESEARCH AND ENGINEERING**

Dr. DUNCAN. Thank you, Mr. Chairman.

I have no prepared statement. I listened very carefully to your opening statement and realize the heavy responsibilities that this office entails. It is my intention, in the time remaining in this administration, to work very hard to carry out those important responsibilities.

I appreciate the opportunity to appear before you.
Senator BINGAMAN. Thank you very much.

Let me ask a couple of things that seem relevant to this new course that you are pursuing here.

I know you are concerned about where DARPA will fit in this overall organization and, obviously, we are concerned that DARPA not get lost in the process.

Would you tell us where you see DARPA fitting in the acquisition organization. If you would please describe that in a general way. I would appreciate it.

Dr. DUNCAN. Mr. Chairman, it is true that I feel that DARPA's role as the corporate research laboratory for the Department of Defense is a very important role. Frequently the far out research activities—the things that are furthest away from actual implementation into a defense system—particularly at times when the budget is being reduced, are things that suffer. This is because there is a natural tendency to want to support things that are near term and hope that the far term will take care of itself. This is a dangerous situation.

So, it is my concern that DARPA be at a level and in a position to assure that this country maintain its technological leadership.

While I have been the DARPA Director for the last couple of years, the position has been at an Assistant Secretary of Defense level. It is my feeling that this is an important criterion for attracting the right kind of leadership for DARPA and also for assuring that it has the proper level vis-a-vis the councils that go on among all these many agencies and departments that exist in defense.

My recommendation to Dr. Costello, as we talked about this, was that DARPA report at as high a level as possible in the Department of Defense. We have agreed that during our tenure, DARPA would report through the DDR&E.

It is my hope that this position can be maintained at an executive level position in the future and that its reporting relationships be appropriate for the future.

Senator BINGAMAN. Thank you.

Let me ask about the budget exercise that is going on in the Department of Defense right now.

As I understand it, there is a fairly significant revision of budgets going on. What kind of cuts do you see DARPA taking as a result of this? Would you comment on whether that is an appropriate level of cuts.

Dr. DUNCAN. The current emphasis in the department on budget deliberations centers around fiscal-year 1989. The Department of Defense receives a tentative budget target that we should shoot for, and within the department, it is parceled out among the military departments and among the various defense agencies.

This budget requires significant reductions over what the President's budget was in our original submission, the 2-year submission for fiscal years 1988 and 1989. DARPA's share of the reduction is 11.5 percent, as I recall. We are working the exercise of reducing the DARPA budget by 11.5 percent.

Senator BINGAMAN. Do you mean that DARPA's budget goes down 11.5 percent in 1989—

Dr. DUNCAN. Yes.

Senator BINGAMAN [continuing]. From where the department originally proposed to have it in 1989? Is that it?

Dr. DUNCAN. That is correct.

Senator BINGAMAN. Is that comparable to the level of cuts that the other services and other agencies are getting?

Dr. DUNCAN. It is comparable to the cuts that most organizations take. The individual services have on the order of 10 to 11 percent, in that vicinity. For defense agencies, 11.5 percent is the average reduction.

Senator BINGAMAN. In your view, is this an appropriate allocation?

I guess what you are telling us is that the decision to cut the budget was made and essentially the same percentage—

Dr. DUNCAN. Yes.

Senator BINGAMAN [continuing]. Each agency and each service was directed to cut their budget by that same percentage.

Dr. DUNCAN. Essentially the same percentage.

Senator BINGAMAN. And there was no prioritizing done as between agencies.

Dr. DUNCAN. That's correct, Mr. Chairman. But let me go one step further.

There is a step that has not taken place yet in which all of these budgets, the proposed budgets from the various organizations, are collected. These were all collected just yesterday.

We start analyzing these over the weekend, and we will start in the Defense Resources Board [DRB] process, which we have scheduled for the last 3 days of next week.

We will then cross-compare, and at that time, we will have the opportunity to do prioritizing among all of these many inputs.

It is a mammoth undertaking, as I am sure you are aware. But there is that step which has not taken place yet, and there is the opportunity, therefore, for DARPA to be able to justify—unless some of its programs would have to be cut—to maybe justify some of those programs for continuation, and so forth. That step has not yet been taken.

Senator BINGAMAN. Let me ask you about the Balanced Technology Initiative.

As you know, Senator Nunn has had a great interest in that, and several of us have supported him. Senator Cohen has also been very interested in this.

We have lately heard some reports that the Balanced Technology Initiative Program during the past year has had some real management problems. I wanted to know if you are familiar enough with that program that you could comment both on the program and on any management problems that they have experienced.

Dr. DUNCAN. The Balanced Technology Initiative is being managed out of the office for which I am a candidate, and, of course, that office has been vacant for the last year. The responsibility was delegated to the Deputy Under Secretary of Defense for Research and Advanced Technology.

The procedure that was carried out in implementing the Balanced Technology Initiative was to work with the Army, Navy, Air Force and defense agencies, specifically DARPA, to get inputs from all of those organizations, to prioritize the possible projects and to make judgments about which should be approved or not approved.

Essentially, there was somewhat of a more or less equal split among the four major partners—DARPA, Air Force, Army, and Navy.

I am fairly familiar with the DARPA portion of it. I am not that familiar with the Army, Navy, and Air Force portions. It is my intent, if confirmed for this position, to become much more familiar with that element of it and to see if the focus seems appropriate for the needs of the country, as I view them, and as others view them from whom I would be seeking advice.

Senator BINGAMAN. So your thought is that whatever management problems have existed have perhaps been traceable to the fact that this position has remained unfilled and that filling this position would cure that? Is that a correct understanding?

Dr. DUNCAN. Yes.

I am not aware of any specific management difficulties with respect to the program, Mr. Chairman. But I have looked only in detail at approximately one-fourth of the program.

Senator BINGAMAN. Let me ask a general question now.

We have made some changes in the law in reorganization at the Pentagon. I guess I am interested in knowing a little more precisely what you see as the primary responsibilities of your new position, the one you have been nominated for, and also whether there are responsibilities that have not been assigned to your position, the position you are to be confirmed for but which you think should be.

Dr. DUNCAN. The position of the Director of Defense Research and Engineering has a history that dates back to the post-Sputnik era, in which there were major efforts made within the Congress and within the executive branch of the Government to reestablish this country's technological leadership, which appeared to be threatened by Sputnik and by the progress being made by others.

The first Director of DR&E was Dr. York and the second Director was Dr. Harold Brown. I had the good fortune, as a Naval Officer, of being assigned to Dr. Brown back in those early days. I was a special assistant, whose specialty was guidance control.

The responsibilities at that time were enormous—the reinvigoration of the R&D activities of the country. The things that took place over a period of time following that period have indeed placed us in a position of technological leadership. But that leadership continues to be threatened. It is not there across all areas. There are areas in which we are threatened.

I think some of those areas that are of great significance have to do with our ability to do things efficiently and effectively from a production and cost standpoint.

We have seen how the Japanese have established the leadership position in semiconductor production. The responsibilities of the office, as I now see it, are the same as they were initially, but the specific efforts that have to take place are different, because times are different and the threats are different.

The responsibilities, as they now exist, entail research and advanced technology, international programs, including the administration of the Nunn amendment programs, strategic and theater nuclear forces, tactical warfare forces, oversight of the Defense Sci-

ence Board staff and involvement with the compartmentalized programs of the Department of Defense.

This is the basic set of responsibilities—and also the responsibility for directing DARPA, so that the corporate research activities of the department are in consonance with what the future needs will be.

Senator BINGAMAN. I gather what you are saying is that you feel the position, as presently constituted, has with it the necessary authority to do what you feel you need to do.

Dr. DUNCAN. I feel it has the necessary authority to do what needs to be done at this time, yes.

Senator BINGAMAN. One of the problems that I referred to in my opening statement is the problem of how to control new starts and also how to terminate those ongoing research and development efforts that are marginal, that we judge to be marginal.

I gather that this new position you are taking on is really the place where that needs to happen.

Would you elaborate a little bit on how you are going to go about that process? That is something which we do not seem to have been able to get a good handle on here in the Congress.

If you recommend that we start something new, the chances are that we will start it. So you are going to have to exercise the discipline. I am just wondering if you could explain a little bit to us about how you are going to do that.

Dr. DUNCAN. That is a very appropriate question and one that does not have an easy and simple answer.

There must be an understanding of the needs or the requirements, the shortcomings, or the future shortcomings if certain things happen to the potential threat to this country. There must be a deep understanding of where the needs will be.

It is much like in industry, where we require an understanding of what the marketplace is before we know how we can fit into that market. We must understand where the needs are.

Then we must understand where the technology is and where the technology has the potential to be.

It is relatively easy to define where technology is because that is more or less based on facts. But where technology will be is based on judgment. I think this is perhaps the part of that overall equation that is the most difficult to reach agreement on, the most difficult to quantify. It is in that piece of it that the judgment factor of the Director of Defense Research and Engineering has its greatest challenge.

But I think, given the level we are going to be able to operate at, particularly in view of the changing budget environment in defense, we will require, more than ever before, the exercise of extraordinarily astute judgment of where the technology has the potential of going, how it fits in with those requirements and how it fits in with where we are today.

That is the decision process.

Senator BINGAMAN. Let me ask your thoughts on the whole business of acquisition policy.

What do you see your role as, as it relates to the services and the Under Secretary of Defense for Acquisition, in establishing acquisi-

tion policy? In your view, do you have a major part to play there? If so, how would you proceed to play that?

Dr. DUNCAN. I consider, Mr. Chairman, that my basic role would be as the right-hand advisor to the Under Secretary of Defense for Acquisition for all elements of policy that relate to research and engineering and developmental testing.

The responsibilities for establishing acquisition policy rest with the Under Secretary of Defense for Acquisition, and, of course, must be approved by the Secretary. I feel that my role would be as his R&D advocate or his R&D advisor in this function.

Senator BINGAMAN. As you know, Mr. Costello has an initiative that he is pursuing with regard to the industrial base.

Dr. DUNCAN. Yes.

Senator BINGAMAN. I guess what I need to know is what do you see as your role in this new position as it relates to that effort to revitalize the defense industrial base? Are you far enough into that process that you could give us any statements about where you see major deficiencies in our industrial base that need attention?

That may be a little premature, that last question.

Dr. DUNCAN. I have read Dr. Costello's testimony before this committee and, of course, I have met with him frequently and discussed these issues. As a matter of fact, of his 10 major agenda items that he presented, one of them he identified that I would be the "point man" on—I believe that was the phrase that he used—and that was with respect to reducing the acquisition time. I think he made a commitment for a half.

I have accepted that role, of being the point man in that particular arena, and will be spending a fair amount of time in assessing what those things are which cause our defense acquisition to stretch out as much as it does: why is it different now than it was 20 or 30 years ago; and what we can do to change that.

I think one of the things that Dr. Costello refers to, that I totally agree with, that involves more research and engineering activities than we have done in the past, relates to plant modernization and production flexibility.

In some of those commercial areas where we are threatened, part of the reason for that is the investment made by foreign firms that compete with us in more modern facilities and more cost effective systems, production systems.

I think there is an integral relationship between the product that we need to produce; namely, the weapon system, the platform, the electronics, or whatever, and the process which we use for making new decisions and the process we use for actually making the hardware.

Senator BINGAMAN. Is it too soon for you to identify specific areas, capabilities, in our industrial base that require more attention, other than just the process of manufacturing that you are referring to?

Dr. DUNCAN. I think it is a little too soon for me to be specific about that, Mr. Chairman. This is something that I will be spending a fair amount of time on in the immediate future.

Senator BINGAMAN. Another major concern that we have had, and that I know you have had in your position at DARPA, is the whole issue of the technology base, and whether or not that has

kept pace with the needs and the tremendous emphasis we are putting on it these days.

Do you have any thoughts as to what you see in the future with regard to the technology base? Do you see decreases in funding in that area, as well as other areas of the defense budget? Do you hope that the budgets in that area can remain the same or increase?

What can we do in this time of fiscal constraint to guard that technology base?

Dr. DUNCAN. I, indeed, have some fairly strong thoughts on that subject.

I just recently looked at how the technology base has fared during the last 7 years of the defense growth, the budgetary growth. When I say "technology base," I am referring to the 6.1 and 6.2 funding areas primarily.

Now, 6.1 and 6.2 funding have grown very slightly over the last, say, 10-year period, as compared to the overall growth. Most of our growth has been in what you might call applications or systems development.

The technology base has grown a sparse amount, approximately 1 percent or 2 percent. I believe that growth of the technology base during periods in which we will not be investing in many, many new systems, is more important than ever before. The technology base growth ought to be greater at times when the defense budget is on, as Secretary Carlucci says, a glide path, or flat. That makes the technology base even more important than ever before.

I believe it is one of my responsibilities to try to do something about that particular trend.

But again, there is a problem in the way we approach things in that they are so far in the future. We are talking about the country 5, 10, and 20 years from now. That seems so remote if you are faced with balancing a budget this year or if you are getting a 1- or 2-year budget cycle or if you are worried about the 4-year term of office or a 2-year term of office or whatever. The near term frequently gets priority over the far term. I think that is a mistake.

Senator BINGAMAN. I just want to agree with your basic point there and say that one of the things that we noticed is when you go back and analyze the defense buildup that has occurred this decade, it has not included the tech base.

It is heard in many other areas, but not the tech base. And now, as we begin this "glide path" down, it would be a shame to take the level at which we have kept the tech base, essentially, and start chipping away at it on the same basis that we chip away at everything else.

Your point that DARPA is being asked to cut its budget 11.5 percent, just like everybody else, where their budget has not been increasing at the rate that some other areas have been, strikes me as a shortsighted kind of policy.

Dr. DUNCAN. It is.

Senator BINGAMAN. But I gather that you are saying you are going to be an advocate for a different course.

Dr. DUNCAN. Yes, sir. I am going to be an advocate. I don't know that I will be totally successful, but I certainly will be an advocate.

Senator BINGAMAN. Senator Thurmond, is there any statement that you would like to make, or do you have any questions?

Senator THURMOND. Thank you, Mr. Chairman.

I just want to say that Dr. Duncan has a very impressive record and I would be glad to support him.

Senator BINGAMAN. I appreciate that. That is the kind of short and to the point support that a person needs.

Senator THURMOND. There is a vote going on now, Mr. Chairman.

Senator BINGAMAN. Yes. Let me just ask one other question here and there are one or two others that we might submit in writing.

As I understand it, in your new position, the Director of Special Access Programs will be reporting to you. I am sure you are aware of the debate that has occurred regarding these programs and the procedures used in getting access to these.

Do you have any thoughts on the role that the Office of the Secretary of Defense should have in overseeing and managing these programs?

Dr. DUNCAN. Yes, Mr. Chairman, I do.

We have within the Office of the Under Secretary of Defense for Acquisition a small office called "Special Programs." These are compartmentalized, frequently called "black" programs.

In talking with those people, by the way, I find that there is a difference between "black" and "compartmentalized." With "black," you can't even admit that there is a program. In "compartmentalized," we can agree at least that there is a program.

I think that the management of those programs presents a special challenge because of the fact that, by their very nature, they don't generally, or they can at least, not get the oversight that normal programs do.

Dr. Costello and I have discussed this at considerable length. It is our intention to do our best at managing these programs through somewhat a normal, or you might call it a "streamlined but effective" defense acquisition process—that is, I am thinking of how the Defense Acquisition Board fits into these programs and that sort of thing—and, at the same time, maintaining the limited access and the high security that is involved. We are working at that.

The Special Programs Office, of course, reports to the Under Secretary of Defense for Acquisition. Because most of these programs are in the RDT&E stage, I will be heavily involved, and have to some extent been heavily involved, in their activities.

Now, the overall size of the special access budget is growing enormously. But that is somewhat misleading in that there are a couple of very large programs that are now carried there, where in the past it has been a collection of many small programs. The advanced technology bomber and the advanced tactical aircraft are now entering phases in which their funding levels are in the billions. A casual observer, looking at the history of the funding of these programs, can draw the wrong conclusions.

The charge is frequently made that people put things into special access programs to keep them from getting management oversight. And it is not just the congressional oversight, but it is oversight from the OSD and those of us within the department.

We have to separate that problem from the problem of maintaining security and yet running efficiently these programs.

Senator BINGAMAN. Let me ask a more specific question.

As I understand it, prior to the reorganization, the Director of Special Access Programs reported to the Under Secretary of Defense for Research and Engineering, which was a level III position. While Mr. Godwin was serving as the Under Secretary of Defense for Acquisition in a level II position, the Director reported to him. Now the Director will report to the Director of Defense Research and Engineering, the position you are going to take, a level IV position.

Is this accurate, as you understand it? Is this a cause for concern?

Does it indicate any change in the department's view of how these things are to be monitored?

Dr. DUNCAN. With respect to the level that they report to, the department has not downgraded in any way the sense of importance for these programs. It is a matter of where proper management attention can be given to these things.

That does not remove the responsibilities of the Under Secretary for Acquisition or, as far as that goes, the Secretary himself, from the responsibility for these programs.

During this period in which neither Dr. Costello nor I have been confirmed, yet both nominated, on an interim basis, they have been reporting to me. One of the reasons was that I sat right next door to them in the building, and Dr. Costello is a quarter-of a mile away. It's simple little things like that during the interim period that we considered.

We have not made the final decision yet on exactly how they will report. But I would say in all probability that office will report directly to Dr. Costello which will be at a level II, as it was under Mr. Godwin.

Senator BINGAMAN. Dr. Duncan, we appreciate your responses to the questions. You are obviously very well qualified for the position you are being nominated for.

I am sure that the committee will try to get together to take action on this prior to adjournment this fall, this winter—this spring, or whenever we quit. [General laughter.]

We do very much appreciate your coming here. I am sorry that more of my colleagues were not able to be here today. But I will report back to them on this hearing, and I hope we can act successfully and affirmatively on your nomination very soon.

Dr. DUNCAN. Thank you, Mr. Chairman.

Senator BINGAMAN. Thank you again.

[Questions submitted for the hearing record with answers supplied, follow:]

QUESTIONS SUBMITTED BY SENATOR DAN QUAYLE

THE DARPA LIGHTSAT PROGRAM

Senator QUAYLE. The original recommendation by HASC was \$100M. The Senate Appropriation Bill has \$35M, HAC zero. Is \$35M enough to do a competent program? Will it delay the demonstration of a prototype? What military capability or mission might be jeopardized if Lightsat is delayed?

Dr. DUNCAN. \$35M is sufficient in fiscal year 1988 to build and launch a military payload by summer 1989, but without sufficient funding in fiscal year 1989 and fiscal year 1990 industry will be unwilling to invest in nonrecurring development

expenses for a Standard Small Launch Vehicle (SSLV) which has commercial as well as military applications. No; the only delay has been that associated with the unfinished appropriations bill. DARPA still plans on a Lightsat launch in 1989. The following military capabilities might be jeopardized if Lightsat is delayed: 1. The capability to obtain maximum warning time of enemy preparations for attack. 2. The capability to read-out information from remote unattended sensors and deliver this information quickly to locations where it can be thoroughly and expeditiously analyzed. 3. The capability to store-and-forward to and from the theater large amounts of data such as target characteristics and locations and logistics requirements and data. 4. Dedicated and reconstitutible communications exceeding the available capacity of currently programmed systems.

Senator QUAYLE. Is there support for a demonstration on the part of the CINCs, especially CINSUSAREUR, CINCUSAFE? What kind of demonstration do you plan?

Dr. DUNCAN. DARPA briefed the proposed mission for the first Lightsat to the major European commands in November. Informal responses made after this briefing indicated support for a demonstration in 1989. We plan to demonstrate the ability to store and forward a large data base, and the ability to provide dedicated, special, intratheater communications.

Senator QUAYLE. How will Lightsat communication satellites relate to MILSTAR?

Dr. DUNCAN. Lightsat could provide a limited gap-filler capability to a few users at a time prior to MILSTAR IOC and afterwards a complementary capability.

Senator QUAYLE. Lightsat will develop a new technology appropriate for inexpensive low orbit satellites. Is there a commercial market for this? Do vendors plan to invest their own funds?

Dr. DUNCAN. Several potential vendors have noticed that there is no NASA or foreign booster designed specifically for payloads around 500 pounds, and that there is the potential for a significant market. The major potential bidders have been funded by investors.

Senator QUAYLE. How does DOD plan to fund Lightsat in 1989?

Dr. DUNCAN. Funds for Lightsat were included in the President's budget request for the 1989 part of the 2-year budget. Funding requirements and priorities are being re-examined in view of budget reductions.

NON-NUCLEAR STRATEGIC WEAPONS

Senator QUAYLE. The future of strategic deterrence is liable to depend on the capabilities of new non-nuclear strategic weapons, which will require new, more flexible, robust, autonomous guidance systems. What programs does DARPA have in the areas of advanced guidance and target location that can contribute? In particular, what are the prospects for cheaper, more jam resistant. Proliferated GPS-guided munitions? Is DARPA funding this program in 1988, 1989?

Dr. DUNCAN. DARPA is aiming for an inexpensive guidance system, comparable to the MX AIRS but costing a small fraction as much. It will be based on new kinds of fiber optic gyros, new chip-integrated linear accelerometers, and a two-chip GPS receiver that can locate the instrument anywhere on earth to within 10 meters or less. DARPA is sponsoring work on very small (about 100 cubic centimeters) GPS guidance system. The program is a technical success so far, and DARPA is being very tough on producibility and cost. The first prototype integrated guidance system may be ready in a few years. DARPA requested funds for this project in fiscal year 1988 and fiscal year 1989 as part of Loraine, which was zeroed by the Congress.

THE DARPA STRATEGIC RELOCATABLE TARGET PROGRAM

Senator QUAYLE. The DARPA strategic relocatable target program is aimed at such targets as missiles and command centers; future deterrent forces, especially future cruise missiles, will have to be able to keep these at risk. Funding for this program will be reduced from the requested 7.6M to 5M. What will the effect of this cut be?

Dr. DUNCAN. The program will now have to be limited to one field experiment on mobile signatures. The planned efforts in millimeter wave and laser radar will be postponed or canceled.

HYPERSONIC WEAPON TECHNOLOGY

Senator QUAYLE. Both authorization and appropriation bills will require DARPA to establish a single program on hypersonic weapon technology in place of the service ones. What program does DARPA think is appropriate? How will the technology

developed in this program be transferred to the services? What advantages might hypersonic boost glide vehicle have over ICBM reentry vehicle in penetrating Soviet ABM defenses on future Soviet space-based BMD?

Dr. DUNCAN. We currently are doing studies and analyses with industry in order to best arrive at a recommended program. Both the Air Force and Navy have need of long range air and/or surface launched air defense missiles. We are attempting to define a common or joint service concept and identify the technology effort that will enable its development. By stressing that the program should have as its goal an air defense missile needed by both services, DARPA hopes that a joint project office can be formed, a joint Service Operational Requirement prepared and a joint prototype project completed. Clearly the tremendous maneuverability of a Hypersonic Glide Vehicle make it highly survivable against ground-based missiles. ICBM Maneuverable Reentry Vehicles are also survivable.

NON-NUCLEAR STRATEGIC WEAPONS

Senator QUAYLE. What programs is DARPA pursuing to provide non-nuclear strategic weapons in the future?

Dr. DUNCAN. In the past DARPA has pioneered in guidance system propulsion and vehicle technologies appropriate for non-nuclear strategic weapons. Currently we are pursuing means for locating SRT/ILT, "Smart Weapons" for engaging these mobile missile targets and advanced carbon-carbon turbine engine technology.

[Whereupon, at 9:40 a.m., the committee adjourned, to reconvene upon the call of the Chair.]

[The nomination of Robert C. Duncan was reported to the Senate by Senator Sam Nunn on December 15, 1987, with the recommendation that the nomination be confirmed. The nomination was confirmed by the Senate on December 17, 1987.]

**TO ACT ON NOMINATIONS OF SAMUEL LESSEY,
ROBERT PAGE, SR., ROBERT CLIFTON
DUNCAN, OTHER PENDING MILITARY NOMI-
NATIONS, INCLUDING THE NOMINATION OF
LT. GEN. COLIN L. POWELL, TO BE REAS-
SIGNED IN THE GRADE OF LIEUTENANT GEN-
ERAL**

WEDNESDAY, DECEMBER 15, 1987

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The committee met in open session, following the conclusion of a closed session, pursuant to notice, at 3:15 p.m., in room SR-222, Russell Senate Office Building, Senator Sam Nunn (chairman) presiding.

Present: Senators Nunn, Exon, Levin, Dixon, Shelby, Warner, Thurmond, Humphrey, Quayle, Wilson, Gramm, Symms and McCain.

Staff present: Arnold L. Punaro, staff director; Carl M. Smith, staff director for the minority; Jeffrey H. Smith, general counsel; Patrick A. Tucker, minority counsel; Christine C. Dauth, chief clerk; Robert E. Bayer, George K. Johnson, Jr., David S. Lyles, Frederick F.Y. Pang, and Patricia L. Watson, professional staff members; and Pamela G. Powell, staff assistant.

Also present: Jeffrey B. Subko, assistant to Senator Exon; Charles C. Smith, assistant to Senator Dixon; Milton D. Beach, assistant to Senator Glenn; Terrence Lynch, assistant to Senator Shelby; William J. Wight, assistant to Senator Warner; and Alan Ptak, assistant to Senator Gramm.

Chairman NUNN. Now, we have four nominations to vote on.

Senator LEVIN. Do we need to have that understanding added or just that it is an understanding, we do not need it added as part of the motion?

Chairman NUNN. We are now in open session.

Senator WARNER. Mr. Chairman, I move the committee vote en bloc on all pending nominations.

Senator THURMOND. I second the motion.

Chairman NUNN. Let's vote separately, John.

Senator WARNER. I move that the committee now consider all pending nominations.

Chairman NUNN. We are now in open session for the purpose of considering all nominations.

We have had a discussion on General Powell. I have a long opening statement which I will put in the record.

We will discuss most of this now, and a motion will be entertained on General Powell first.

Senator THURMOND. I move that he be approved.

Senator WARNER. I have the motion pending. I move that he be approved.

Chairman NUNN. There is a second to the motion.

All in favor, signify by saying aye.

[A chorus of ayes.]

Chairman NUNN. Opposed?

[No response.]

General Powell is recommended for confirmation to the third star in the position of National Security Advisor.

Now we have a nomination for Mr. Lessey.

Senator HUMPHREY. I move the nomination.

Chairman NUNN. There is a motion that Mr. Lessey be Director of Selective Service.

All those in favor, signify by saying aye.

[A chorus of ayes.]

Opposed.

[No response.]

The motion carries.

The next nomination is Mr. Page, to be Assistant Secretary of the Army for Civil Works.

Senator GRAMM. Mr. Chairman, I move that we report his appointment favorably.

Chairman NUNN. Is there a second?

Senator WARNER. I second.

Chairman NUNN. All in favor, signify by saying aye.

[A chorus of ayes.]

Opposed.

[No response.]

The motion carries.

And Mr. Duncan, Director of Defense Research and Engineering. Is there a motion?

Senator WARNER. I move the nomination.

Chairman NUNN. All in favor, signify by saying aye.

[A chorus of ayes.]

Opposed.

[No response.]

The motion carries.

And there are now pending in committee and eligible for consideration today 4,856 military nominations. The nominations appear on the list that is before each member. They have been before us the required length of time, and no objection has been raised by any member.

We will entertain a motion.

[The list follows:]

MILITARY NOMINATIONS WHICH HAVE BEEN PENDING WITH THE SENATE ARMED SERVICES COMMITTEE THE REQUIRED LENGTH OF TIME, DECEMBER 15, 1987

1. In the Air Force there are 10 promotions to the grade colonel and below (list begins with Thomas E. Koss) (ref. 694)
 2. In the Air National Guard there are 15 promotions to the grade lieutenant colonel (list begins with Dennis C. Daly) (ref. 695)
 3. In the Air Force there are 3 appointments to the grade of major and below (list begins with Walter S. Mohn) (ref. 696)
 4. In the Army there are 2,314 promotions to the grade of major (list begins with James W. Abbott) (ref. 697)
 5. Brigadier General Martin E. Lind, Jr., U.S. Army National Guard, to be major general (ref. 713)
 6. Vice Admiral Joseph Metcalf, III, U.S. Navy, to be placed on the retired list in the grade of vice admiral (ref. 714)
 7. In the Air Force there are two promotions to the grade of colonel and below (list begins with Collins E. Smith, Jr.) (ref. 715)
 8. In the Air Force there are two appointments to the grade major and below (list begins with John F. Courtney) (ref. 716)
 9. In the Air Force there are 13 promotions to the grade of major (list begins with Colney B. Gainer) (ref. 717)
 10. In the Air Force there are 260 appointments to a grade no higher than major (list begins with Alvin N. Aramburo, Jr.) (ref. 718)
 11. In the Army there are 492 promotions to the grade of colonel (list begins with Richard D. Allen) (ref. 719)
 12. In the Army there are 1,499 promotions to the grade of lieutenant colonel (list begins with Alvin D. Aaron) (ref. 720)
 13. In the Navy Reserve there are 194 appointments to the grade captain and below (list begins with Hugh R. White) (ref. 721)
 14. Rear Admiral Joseph S. Donnell III, U.S. Navy, to be Vice Admiral (ref. 724)
 15. Rear Admiral John W. Nyquist, U.S. Navy, to be Vice Admiral (ref. 725)
 16. In the Air Force Reserve there are four appointments to the grade of lieutenant colonel (list begins with Gerald M. Friedman) (ref. 738)
 17. In the Air Force there are 44 appointments to the grade of colonel and below (list begins with Cary D. Hardison) (ref. 739)
- Total: 4,856.

Senator THURMOND. I move that it be approved.

Senator GRAMM. I second.

Chairman NUNN. All in favor, signify by saying aye.

[A chorus of ayes.]

Chairman NUNN. I will ask unanimous consent without objection that my entire statement explaining the General Powell matter be put in the record.

Senator Symms.

Senator SYMMS. Mr. Chairman, I just wanted to make an inquiry.

What is the status now of the Bergquist nomination?

Chairman NUNN. The Bergquist nomination we have had a hearing on, and it is my understanding that we have not had all of the paperwork completed. We are awaiting that. When we get that, if there is still time left in the session, we will have another meeting, and we will determine whether the committee is disposed to report favorably on his nomination.

But there are some things that have not come yet from the White House on the Bergquist nomination.

Senator DIXON. Mr. Chairman, is there any interest at all in inquiring about the allegations made in the various newspaper publications about statements he allegedly is supposed to have made to others about not being interested in this post and not being interested in supporting the concept involved and so forth?

Senator WARNER. Those issues were, in my judgment, covered quite fully in the hearing.

Senator DIXON. Well, we asked him the questions. I will admit that, John. I think Carl Levin did, I did, and some others, but nobody else has ever been questioned about it at all.

I do not have any particular reason for pressing that beyond asking the Chair whether there is any interest in this.

Chairman NUNN. If we get this other information we have to have in order to complete all of his paperwork, then at that time I will get the committee back together and we can decide what to do with the Bergquist nomination, including that possibility.

Senator DIXON. Thank you.

Chairman NUNN. I will not act on it without having an opportunity to talk about that.

Senator Wilson.

Senator WILSON. Mr. Chairman, I apologize for having been delayed.

I would request that the record be kept open for a statement on General Powell that I would like to insert.

Chairman NUNN. How long would you like that, this afternoon late?

Senator WILSON. Yes.

Senator WARNER. Would you also like to be recorded?

Senator WILSON. I would also like to be recorded.

Chairman NUNN. The Clerk will so indicate that Senator Wilson is in favor of supporting the Powell nomination. The Senator will have until 7 o'clock tonight, without objection.

[The prepared statement of Senator Wilson follows:]

PREPARED STATEMENT OF SENATOR PETE WILSON

Mr. Chairman, I wish to join my colleagues in strong support for the confirmation of Colin Powell to the rank of lieutenant general of the Army, while serving as National Security Advisor to the President.

General Powell is not only an able and dedicated soldier, he is an astute and wise counselor on national security policy. His distinguished service career and training make him an outstanding choice as the President's National Security Advisor and especially well qualified to hold the rank of lieutenant general.

Colin Powell is a credit to our Nation and it is with great esteem and confidence I cast my vote in the affirmative for General Powell's confirmation.

I very much look forward to working with General Powell and wish him and our President the very best in guiding our Nation through the pivotal months ahead.

Chairman NUNN. Now I am going to make my statement so everyone will understand, which I have done orally here, but have not read, and then Senator Warner would like to make a few comments on General Powell so the people in the audience will know what has transpired here.

Any members that would like to remain for that discussion are welcome to. There will be no more votes today.

Senator WARNER. Mr. Chairman, I would like to say something for the membership.

I want the members of the committee to know that I feel you have worked most cooperatively with the President and those designated by him, primarily the Secretaries of Defense, both the incumbent and the previous one, in trying to move forward in the last 3 or 4 weeks these nominations. To the best of my knowledge, our calendar is current, with one exception. There are valid rea-

sons in my judgment why we cannot at this time move forward on that one.

I think with the action today, the committee is up to date, with the exception of three positions, each of which in my judgment has a legitimate reason why the committee cannot move forward.

Chairman NUNN. I thank my friend and colleague from Virginia.

Senator GRAMM. Mr. Chairman.

Chairman NUNN. Senator Gramm.

Senator GRAMM. If we could encourage the Senate to move on Bob Page's nomination, we have got a lot of things in the Corps of Engineers that are going to be worked on over the holidays. We are going to be gone a long time.

You are talking about roughly one-thirteenth of the tenure in that office, and I do not know of anybody who does not think that he is probably one of the most qualified people that has ever served in that, and if we could confirm him before we leave, he would be grateful, and I think it would be a good thing to do.

Chairman NUNN. Senator Gramm, I am going to do everything I can to get every one of these nominations approved before we go, and I would like to get every member of the committee to work with me on that.

I appreciate your suggestion. I agree with you, he is well qualified.

Any other comments?

Then I want to give some background on the Powell nomination.

Everyone is aware that the committee has received the nomination, and we have now acted on the nomination in committee of Lt. Gen. Colin Powell for reappointment to the grade of lieutenant general, and to be assigned in that grade—in the grade of lieutenant general to the position of Assistant Secretary to the President for National Security Affairs.

Senator Warner and I have discussed this nomination several times over the last few weeks. We have discussed it with members of the administration. We have also consulted with other Senators interested in this matter, including Senator Inouye and Senator Rudman in their capacity as chairman and vice chairman of the Iran/Contra Committee.

We have discussed this nomination at length today in the committee, and we have discussed other nominations also. Normally the appointment of an individual to serve as Assistant to the President for National Security Affairs does not require confirmation by the Senate. Lieutenant General Powell's appointment is different, however, because of the committee's statutory role regarding confirmation of senior military officers.

I want to take a moment to explain why General Powell's nomination was before the committee today and exactly what we have acted on.

In considering the assignment of Lieutenant General Powell to be the Assistant Secretary for National Security Affairs, the President of the United States had three options. First, Lieutenant General Powell could have retired from active duty and been assigned to the position in a civilian status. This option would have restricted action by the Senate only to the consideration of his retirement in the grade of lieutenant general. That is what has happened in

the case of Brent Scowcroft when President Ford appointed him to this job.

Second, Lieutenant General Powell could have elected to relinquish his temporary rank as lieutenant general and be assigned to the position in his permanent military rank of major general. That means going from three stars to two stars. This option would not have required any action by the Senate. In other words, we would have had no matter before us in this committee to consider, nor would the Senate have had any matter.

Third, Lieutenant General Powell could be assigned to the position with reappointment as a lieutenant general. This option requires action by the Senate under Section 601 of Title X, United States Code. Under that statute, when a senior military officer, meaning a three or four star officer, changes assignments, the law requires that he or she must be confirmed or reconfirmed by the Senate in that grade for the new position.

The President chose the third option. Since the President proposed that Lieutenant General Powell serve as Assistant to the President for National Security Affairs, and nominated him to serve as a lieutenant general in that position, the Senate must confirm him to that rank for that position. In essence, the Senate technically will be deciding when our recommendation goes to the floor whether Lieutenant General Powell will hold three star rank if he becomes the National Security Advisor to the President.

I might add that he is now the Acting National Security Adviser. He is not the National Security Adviser. We had an informal understanding which the White House complied with that he would be acting until such time as we were able to consider this matter, which we have done today.

I have a letter from Arthur Culvahouse, Counsel to the President, in which he says the President has deferred assigning Lieutenant General Powell to the position until the Senate has had a chance to act on Lieutenant General Powell's nomination, and that letter should be a part of the record at this point.

I ask unanimous consent that that letter be inserted in the record at this point.

[The information referred to follows:]

THE WHITE HOUSE,
Washington, DC, November 20, 1987.

HON. SAM NUNN,
Chairman, Committee on Armed Services,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: This is in response to your inquiry concerning the November 17, 1987, nomination of Lieutenant General Colin L. Powell for appointment to the grade of Lieutenant General, in conjunction with his assignment to a new position of importance and responsibility—Assistant to the President for National Security Affairs (National Security Advisor). General Powell is currently serving as the Deputy Assistant to the President for National Security Affairs in the grade of Lieutenant General, United States Army.

Upon Senate confirmation of Frank Carlucci as Secretary of Defense, General Powell will assume the additional duties of acting National Security Adviser. In order for General Powell to continue in the grade of Lieutenant General, the President will defer assigning him to the position of National Security Advisor until the Senate has had a chance to act on the November 17 nomination of General Powell.

I hope this information is satisfactory for your needs.

Sincerely,

ARTHUR B. CULVAHOUSE, Jr.,
Counsel to the President.

Chairman NUNN. Now, this nomination raises the issue of whether a military officer should serve as Assistant to the President for National Security Affairs. We have confirmed people in that position before. Admiral Poindexter was confirmed. We also had General Colin Powell confirmed as the Assistant to or the Deputy to the National Security Advisor, and this committee did not have a hearing on either of those. This matter has come up because of the recommendation of the Iran Committee, and of course, as I mentioned, Senator Warner and I have talked to both Senator Inouye and Senator Rudman.

The Assistant to the President for National Security Affairs is certainly one of the most important positions in our Government. He or she must be able to provide the President with the best possible advice on national security matters. He must also be able to coordinate the advice from the major departments and agencies in the area of national security, namely, the Departments of State and Defense and the CIA. He must also be able to coordinate action among those agencies. That requires enormous knowledge and skill, but it also requires independence.

This committee has not made any decision on the appropriateness of a military officer in that position. We have only decided as to this particular case at this particular time. But my own concern is that a military officer who knows that his next promotion depends on the Secretary of Defense and the top generals and admirals in the Pentagon may simply not, over a period of time, be able to make completely objective decisions based on the fact that his promotion, his pay and his future depend on one department, and that one department is an active player in the government.

I do not suggest General Powell does not have the required independence or other skills because everyone, I think, on our committee agrees that he is an extraordinary officer who has great skill, and all of this is institutional rather than directed to him personally.

I only raise that concern that any active duty military officer who serves in this position may over a period of time be subject to an inherent conflict between his responsibilities to the President and his own professional future in the service.

Assignment of a military officer to this senior, sensitive position also raises serious concerns about civilian control of the military. Of course, the White House is the heart of civilian control, and that particular position is even closer in terms of physical proximity to the President than either the Secretary of Defense or the Secretary of State.

On the other hand, I think it is fair to say, and this point was brought up in our committee, by Senator McCain, and he can speak for himself on it, but it is a point that has to be considered in any deliberation on this in the future, that the President of the United States has a constitutional right, according to many people, to appoint who he deems to be his best choice for these important positions as advisors to him.

So we have that strong constitutional concern that has to be considered.

Senior military officers have also expressed another but I think equally valid concern. Admiral Crowe said in his deposition before the Iran-Contra Committee, quoting him, "I don't think an active military man should lead the National Security Council. I just really don't believe that."

Admiral Crowe went on to say that if the President wants military views, he wants the President to turn to the Chairman of the JCS as well as the, I believe he said, the Joint Chiefs and not the Assistant to the President for National Security Affairs.

In its final report, the Iran-Contra Committee recommended "That Presidents adopt as a matter of policy the principle that the National Security Advisor to the President should not be an active military officer." Legislation has already been introduced, I believe by Senator Harkin in the Senate to put this recommendation in statute. That bill is pending before our committee, and we are going to have hearings on that piece of legislation as early as possible next year. So it will be considered.

The Senate officially has pending before us S. 715. That was the bill introduced by Senator Harkin in late March of this year, 1987, that would prohibit any active duty commissioned officer from serving as the Assistant to the President for National Security Affairs.

I myself have serious reservations about a military officer serving as the Assistant to the President for National Security Affairs. I myself, though, have reserved judgment about whether that ought to be done by statute, whether the Congress really should by law require that that position not be filled by an active duty military officer. And again, the constitutional question comes in.

So it is one thing to think as a matter of policy that it should not be done; it is another thing to decide whether a law should be passed, and I reserve judgment on the latter. I am firm in my opinion on the former that it is not a good practice.

However, our committee has not had time to go into this matter thoroughly. The nomination of Lieutenant General Powell occurred just before the Iran Committee made its final report. We are faced with the issue, and we're faced with it today, of whether Lieutenant General Powell's pending nomination should be approved as far as moving from three stars or staying at three stars.

By my own experience in dealing with him, and by all the accounts of people I have talked to, Lieutenant General Powell is an extremely capable and talented military officer. So none of this discussion relates to his professional capability or his integrity.

Senator Warner and I recommended that the committee consider acting favorably on Lieutenant General Powell's nomination. We decided after considerable debate that we would not have a hearing on this matter. We did discuss it. I do not think there was anyone who advocated a hearing. There will be certain questions that will go to him for the record. Senator Levin has indicated there will be questions for the record, and I am sure that those questions will be answered before the Senate of the United States acts on the nomination.

I believe that there were a number of people who expressed differing views on this subject, but nevertheless, the committee did not decide anything today except that General Powell should be permitted to maintain his third star and serve as the National Security Advisor in the rank of lieutenant general, and we will be making that recommendation to the floor, and then it will be up to the Senate to decide.

Senator Warner.

Senator WARNER. Thank you, Mr. Chairman.

First, I would like to commend you on the manner in which you have handled the nomination of General Powell. I have been with you throughout the discussions with the administration, as well as our colleagues. I would suggest we add the name of Senator Cohen. Even though he was not present at the time you and I spoke with Senators Rudman and Inouye, I spoke with him thereafter given his membership on this committee and the Irangate body. It is my understanding he likewise supported the decision reached by the four of us that this nomination go forward with a favorable recommendation.

Chairman NUNN. The Senator is exactly right. Senators Rudman and Inouye, of course, are not on this committee, but they did concur in the conclusion you and I came to, as did Senator Cohen, and Senator Cohen actually called in during that meeting and therefore was part of the meeting by telephone.

Senator WARNER. I thank you. I think I can maintain the confidentiality of our executive session, but to the best of my knowledge, not one member in any way reflected adversely on General Powell. That was the purpose of your statements, and his record of achievement to date as a career officer indicate his abilities to handle this position. Indeed, all of our discussion was primarily concentrated on how we would handle the pending legislation, that is, the pending bill by Mr. Harkin. Otherwise, you and I as well as the unanimous vote reflects that General Powell is eminently well qualified to serve in this position.

Chairman NUNN. Correct.

I would add to that that the purpose that we closed the meeting was to discuss several matters relating to other nominees and FBI reports related thereto.

Senator WARNER. And their financial affairs.

I think, Mr. Chairman, it would be fair to say you and I have discussed the questions being directed to General Powell. It would be our hope that the Senate would act on this nomination before it goes out sine die here in December.

Chairman NUNN. That would be my hope on it.

Senator WARNER. Also, Mr. Chairman, having concurred with you up to this point, I now differ most respectfully in the addressing of the legislation as to whether or not an active duty military officer should hold the position of National Security Adviser to the President.

Chairman NUNN. Well, I have not stated my judgment as to whether there ought to be a law passed on that. I have just stated my judgment as a matter of policy. I believe, the country would be better served if we do not have active duty military officials. But I

have not yet decided that we ought to pass a statute on that subject.

Senator WARNER. Well, I feel strongly we should not, and I feel so for several reasons. Historically, this committee in a sense implicitly acted on that question when we accepted the President's nomination for General Powell to serve as the Principal Deputy National Security Advisor at the time that Mr. Carlucci was the National Security Advisor.

But the primary reason why I am opposed is, I think twofold. One, the President should have a right, if not inherent in the Constitution, a right of the strongest magnitude, to select whomever he wishes as his personal advisors.

Second, there is a law of which few people are aware pending on the books at this time. It is section 720 of Title X. I will leave my copy on the table should anyone present here like to look at it. That law reads that the President, by and with the advice and consent of the Senate, may appoint a general officer of the Army, Air Force, the Marine Corps or a flag officer of the U.S. Navy as the chief of staff to the President and may designate such position as a position of importance and responsibility under section 601 of this title.

Clearly, in 1947 when this statute was engaged, and since that time, it has been the law of the land that the President could designate the superior position on his staff, that is, chief of staff, to be held by an active duty officer. It seems to me to be implicit that he could then have any subordinate that he wished likewise be an active duty military officer.

Mr. Chairman, that pretty well completes the comments that I have.

Again, I commend the Chair for its handling of this matter.

Chairman NUNN. Thank you very much, Senator Warner, and I thank you for your cooperation through the whole process, and your leadership in it.

Senator McCAIN. Mr. Chairman.

Chairman NUNN. Senator McCain.

Senator McCAIN. Thank you, Mr. Chairman.

I would like to thank you for the very sensitive way you have handled this difficult issue, particularly in light of the events that surrounded the predecessor of General Powell. I think that this committee has come to a very important course of action which preserves, I think, the prerogatives of this committee to review all nominations submitted by the Department of Defense and at the same time takes into considerations the very sensitive nature of this appointment.

I think that we all owe you a debt of gratitude for the many hours that you spent on this issue.

The same goes for my esteemed colleague, Senator Warner.

I would just like to repeat again what I said in closed session. I believe that the Constitution is what guides us in our deliberations and our legislation, our legislative activities, and it is clear to me that the Constitution of the United States allows the President of the United States to appoint whomsoever he wishes from whatever walk of life, whatever part of our society he chooses, to select those appointees from, and I think it would be a serious mistake, in fact,

unconstitutional, if we passed some form of legislation which prevented the President from selecting one of his advisors from any part of our society, much less the military.

I also would finally suggest that perhaps in light of the revelations of the Iran-Contra hearing, perhaps we could prevent a repetition of the kinds of abuses that took place, whether those people involve the military or nonmilitary personnel.

And so again, thank you, Mr. Chairman, for all you have done on this issue. I believe that everyone is satisfied and indeed, Senator Levin and others will be able to submit questions so that we can move forward with General Powell, who I happen to know is a very outstanding American, as our National Security Advisor, with the confidence of this committee.

Thank you, Mr. Chairman.

Chairman NUNN. I thank the Senator.

Senator WARNER. Mr. Chairman, we thank our colleague from Arizona. He brings to this committee a special expertise in relation to the careers of professional military men and women. I think he today, by virtue of his statement, manifested that deep understanding.

Chairman NUNN. Senator Levin.

Senator LEVIN. Mr. Chairman, on this last point, I believe it is a little more complicated than what Senator McCain suggested, although there is an instinct in all of us that the President should have the right to pick people to serve in his or her administration. There are some restrictions, as I understand it, on Cabinet officers being in the military.

Chairman NUNN. The Secretary of Defense, I think, has to have been out of the military 4 or 5 years, and the service secretaries cannot serve for 5 or 10 years.

Senator LEVIN. There are some restrictions that we at least ought to look at.

Senator MCCAIN. If I might respond, the Secretary of Defense, I believe, is subject to confirmation by the U.S. Senate. The President's advisors, of course, are not, which in my mind places them in a different category.

Senator LEVIN. It may be. I am just saying there are some restrictions on people that the President by law, that the President cannot send us for confirmation a uniformed officer to be Secretary of Defense. And I am not saying that it is perfectly analogous. I am just saying that although I think our instincts are the same, that there ought to be pretty free-wheeling power of the President to have people around him or her who they like. Nonetheless, there are some precedents for this, perhaps.

Thank you, Mr. Chairman.

Chairman NUNN. Senator Exon.

Senator EXON. Mr. Chairman, I just wanted to reiterate what I said in closed session. We had a debate about this, and if I could develop a consensus of the committee, it seemed to me that a majority of the committee indicated that they basically felt that some of the talk today about putting restrictions on appointees of the President who did not have to be confirmed by the Senate was more or less a knee jerk reaction to some military officers who recently served on the National Security Council. I happen to feel, as

one who has been in the executive department of government, I know that those of us in the legislative function are always trying to encroach, encroach, encroach. I happen to feel the two officers who recently served on the National Security Council, as pointed out by the Iran counsel, did not serve the administration or the Nation in the way that I would have liked to have them serve, but nevertheless, it seems to me that in an advisory position not requiring confirmation by the Senate, the President of the United States should have maximum leeway to select whomever he wishes to fill those important duties.

And therefore, I am not prejudging totally the Harkin bill at this time, but it seems to me that if it is a knee jerk reaction that hearkens back to another day, that that should not necessarily prevent people who have active duty to serve the President of the United States.

I would cite that there have been many, many individuals who have served actively in the military and at the same time served former Presidents of the United States with great distinction, and I am not sure that we should be drawing the line there, although there were some excellent statements made to the contrary by several members of the committee.

Chairman NUNN. Thank you, Senator Exon.

Any other comments?

[No response.]

We will leave the record open until 7 p.m. this evening for absent members to be able to record their votes, and we also have, I believe, a statement by Senator Wilson which will come in, and we will leave the record open for that until 7 p.m.

[Questions for the hearing record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR SAM NUNN TO LT. GEN. COLIN L. POWELL, USA

Chairman NUNN. What role do you believe the staff of the National Security Council should play in covert actions? Do you believe they should have an operational role?

General POWELL. The NSC staff should not have an operational role in connection with the conduct of covert actions. At the President's direction, the then National Security Advisor, Frank Carlucci, issued an instruction in January 1987 prohibiting the NSC staff from participating in the conduct of covert actions. (The President subsequently reiterated this prohibition in NSDDs 266 and 286.) At the same time, the NSC staff does play an essential and inescapable role in assisting the National Security Advisor to discharge his responsibility as day-to-day manager of the NSC process in which covert action proposals are developed, considered, approved, and reviewed in order to ensure that they support foreign policy objectives, are consistent with applicable law (including notification to Congress), and make sense. In the last year, I have been directly responsible for implementing the President's procedures for approval, review, and notification of covert actions, and I am firmly committed to the system the President has established.

Chairman NUNN. What is your concept of the duties of the Assistant to the President for National Security Affairs?

General POWELL. I have three principal duties. First, at the direction of the President, I have primary responsibility for the day-to-day management of the NSC process. Second, I am principal advisor on the President's staff with respect to national security affairs. Last, but by no means least, I direct the NSC staff in support of the President and the functioning of the National Security Council and interagency system. In performing my roles as day-to-day manager of the NSC process and director of the NSC staff, my principal responsibility is to see that the process of interagency coordination works smoothly and helps provide the President with the wherewithal to make decisions. This means that views of all Council members, as well as the views of the statutory advisors, are faithfully represented, coordinated,

and analyzed so that the President receives the full benefit of all his advisors' views. As a personal advisor to the President on national security matters, I do not substitute for the Secretary of State or the Secretary of Defense or for any of the statutory advisors to the National Security Council. Rather, I am an additional presidential advisor, who gives independent advice to the President in his consideration of national security issues presented to him. I see my job as ensuring that the President knows what all his real choices and options are.

Chairman NUNN. I am concerned that an active duty military officer might have a difficult time serving as an "honest broker" in resolving disputes between the major departments and agencies. Active duty officers may be subject to pressures from the Department of Defense which controls their promotions and future assignments. Although I have great confidence in your abilities and integrity I would like your views on how you will deal with the issue of independence of thought and analysis.

General POWELL. I have had a number of assignments outside the Army as well as outside the Department of Defense; with respect to each, some might have expected me to be subjected to the kind of pressure your question addresses. Over a period of 5 years, I served as Military Assistant to three Deputy Secretaries of Defense and one Secretary of Defense. On many occasions during that period, I had to take actions with which my parent service was unhappy. At no time was it ever suggested to me by my service that I would be subjected—nor in fact was I subject—to any sort of prejudicial action for doing what my responsibilities required me to do. In fact, General Rogers, when he was Chief of Staff of the Army, and General Wickham, when he held the same post, both assigned me to the Office of the Secretary of Defense with the personal injunction: "Now, Colin, you work for the Secretary. We will never apply any pressure on you. We know you will always do what you think is right." So I frankly do not believe that I will receive any pressure from the Department of Defense or the Department of the Army implying any danger to my future assignments and prospects for promotion. Further, in any event, such pressure would be in vain. I am honored to be a Lieutenant General in the U.S. Army, and I do not spend time worrying about my next assignment or promotion. If I were driven by concerns about assignment or promotion, I would have remained the Commander of V Corps.

For the past year, I have served as Deputy National Security Adviser. I have been at the center of the most controversial issues and decisions involving our national security policy. I believe I have an established reputation for objectivity, balance, and always trying to do what is right. I don't think you can find anybody in the Department of Defense, the Department of State, or any other agency with which I work on a daily basis who would suggest that I am influenced in the conduct of my duties by considerations of future assignments or promotion.

Chairman NUNN. The Iran-Contra Committee was very critical of the respect for the Constitution and the rule of law exhibited by some of your predecessors. I would like to know what your concept is of your responsibilities under the law and the Constitution.

General POWELL. My concept of the Constitution and the rule of law is simple. In June 1958, I swore an oath to uphold and defend the Constitution of the United States. I have never forgotten that oath or that it means that I serve the Constitution, not an individual. From that oath flow directly my obligations to the people of the United States. Through elections, the people tell us by whom they wish their Government to be conducted and their laws made, all under the Constitution. I am an absolute believer in the rule of law, and I have sworn to uphold and defend the Constitution with my life if necessary.

QUESTIONS FOR THE RECORD SUBMITTED BY SENATOR CARL LEVIN TO LT. GEN. COLIN L. POWELL, USA

Senator LEVIN. 1. The Iran-Contra Committees looked into your role in the Iran-Contra affair and their final report is not critical of any of your actions. However, they did not address your role in the memorandum of March 7, 1986, to you from Lt. Gen. Arthur Brown, the Director of the Army Staff. That memorandum expressed concern that the Army was transferring TOW missiles to the CIA in response to a tasking passed to them by you and that the legal requirements to notify Congress had not been complied with. You forwarded that memorandum to Admiral Poindexter with a note dated March 12 in which you indicated that the Secretary of Defense had asked you to pass it to the Admiral in the event he might wish to advise the DCI or the Attorney General.

a. Your deposition to the staff of the Iran-Contra Committee is somewhat at variance with your memorandum. In your deposition, you state that you showed it to the Secretary and that you planned to provide it to Admiral Poindexter. You also did not mention that the Secretary had suggested that Poindexter might want to advise the DCI or the Attorney General of the Army's legal concerns. Would you please provide the committee with your best recollection of the precise details of your conversation with the Secretary?

General POWELL. My best recollection is that I told the Secretary of Defense that I had received such a memorandum from Lt. Gen. Brown, and that I was providing it to Admiral Poindexter. I don't recall its being more than a casual conversation. When I gave the memorandum to Admiral Poindexter, I was aware that he had received an opinion from the Attorney General that this matter was being handled in a legally correct manner, and that Congress would be notified at an appropriate time. I believed I had discharged my responsibility by informing Admiral Poindexter of the Army's concerns. I expected that he would undertake whatever action was needed by way of follow-up with the Attorney General or the Director of Central Intelligence. I departed as Military Assistant to the Secretary of Defense shortly thereafter and do not know what, if any follow-up action was taken. I do not recall specifically that the Secretary of Defense told me to ask Admiral Poindexter to advise the Director of Central Intelligence or the Attorney General. I may have mentioned doing so to Admiral Poindexter as a reminder to him.

Senator LEVIN. 1.b. You also told the Iran-Contra Committee that, after you passed the memorandum to Admiral Poindexter you did not follow up. I know that you left shortly after that to take command of the Fifth U.S. Army Corps in Europe, but I would like to know if you told your successor or anyone else of this memorandum and urged that they follow it up? If not, why not?

General POWELL. I do not recall discussing the memorandum with my successor or anyone else. Frankly, it did not occur to me to do so; and if it had occurred to me, I am not sure I would have done so because I considered the matter closed after having given the memorandum to Admiral Poindexter.

Senator LEVIN. 1.c. Your memorandum also notes that "per guidance received from the NSC, the Army has been told that they have no responsibility for congressional notification . . . and that the Attorney General has provided an opinion that supports this position." I know you are not a lawyer, but were you troubled by participating in a process whose legality had been questioned by the Army despite an opinion from the Attorney General (which the Iran-Contra Committee noted was an oral opinion)?

General POWELL. As all the testimony I have given on this matter shows, I was troubled by many aspects of the transaction. But, I was advised that the Attorney General had given an opinion on this question, which I did not know was oral or in writing, and, as far as I was concerned, that disposed of this matter.

Chairman NUNN. If there is no further business, the committee will stand adjourned.

[Whereupon, at 3:45 p.m., the committee adjourned.]

NOMINATION OF THOMAS F. FAUGHT, JR., TO BE ASSISTANT SECRETARY OF THE NAVY FOR RESEARCH, ENGINEERING AND SYSTEMS

FRIDAY, DECEMBER 18, 1987

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The committee met, pursuant to notice, at 10:05 a.m., in room SR-222, Russell Senate Office Building, Senator Carl Levin presiding.

Present: Senators Nunn (chairman), Levin, Warner, Thurmond, and McCain.

Staff present: Arnold L. Punaro, staff director; Carl M. Smith, staff director for the minority; Jeffrey H. Smith, general counsel; Patrick A. Tucker, minority counsel; Andrew S. Effron, counsel; Christine C. Dauth, chief clerk; George K. Johnson, Jr., and Norman G. Mosher, professional staff members; and Pamela G. Powell, staff assistant.

Also present: Jeffrey B. Subko, assistant to Senator Exon; Milton D. Beach, assistant to Senator Glenn; William J. Wight, assistant to Senator Warner; Alan Ptak, assistant to Senator Gramm; Samuel J. Routson, assistant to Secretary Symms; and Patrick A. Putignano, assistant to Senator McCain.

Senator WARNER. Senator Levin will be here momentarily to chair the hearing. Until he arrives, we would like very much to hear from our colleague from Pennsylvania, Senator Heinz.

STATEMENT OF HON. JOHN HEINZ, A U.S. SENATOR FROM THE STATE OF PENNSYLVANIA

Senator HEINZ. Senator Warner, Mr. Acting Chairman, thank you very much.

Let me tell you it is a great personal pleasure to introduce to the committee Tom Faught, who is a friend, a Pittsburgher, and a most distinguished man with a career that reaches back into just about every nook and cranny of the private sector that you would ever hope to have.

He has, of course, been nominated for the position of Assistant Secretary of the Navy for Research, Engineering and Systems. And I might say that Tom has had a career that has been truly characterized by excellence and achievement, and I believe strongly that his service as Assistant Secretary will match the contributions he has made in the private sector.

Mr. Chairman, I know you are a Navy man, but the Marine Corps has always been quite close to the Navy, protected the Navy when the Navy does not do a good job, gets a little too close to land. With Tom Faught, you are getting a marine.

Senator WARNER. I have had the pleasure of discussing that with him at length. As for the record, I served in the Navy and the Marines.

Senator HEINZ. I knew there was something outstanding about you all those years. I could never put my finger on it.

Senator WARNER. Well, one person commented one time they had to send that dumb fool to boot camp twice. That is a true statement of fact.

Senator HEINZ. Since Tom has been both an enlisted man and an officer, he may have had the double pleasure as well, Mr. Chairman.

Senator WARNER. The record will reflect the chairman is now present. As a courtesy to our colleague, we started.

Senator LEVIN [presiding]. If you have learned something outstanding about this guy, I wonder if you would repeat it.

Senator HEINZ. We are going to push right along, Mr. Chairman, in deference to all concerned.

Tom is extremely well educated. I say that with some pride, because in addition to attending Oregon State College where he has a bachelor of science degree in technology and business, he had the good sense to go to the Harvard Business School, which I have some affinity for, as well as a degree from.

I mentioned that Tom Faught has brought experience from the private sector. You have his resume. I will not go into all the details. I will put the details of my statement in the record.

But most recently, Tom, of course, has been the chief executive officer of the Dravo Corporation in Pittsburgh, where he has since 1983 served as chief executive officer. He has been very active in both business and civic affairs.

He has achieved a substantial amount of recognition. Indeed, in 1986, two leading business publications named him as the outstanding engineering and construction industry CEO of the year.

And that makes him, I think, Mr. Chairman, a really unique addition to the Department of the Navy. I do not think, I may be wrong, I do not think there has ever been an Assistant Secretary of the Navy who is a major corporate CEO, who has ever taken that position.

And when you or I think of the responsibilities of that position, the enormous complexities of overseeing research and engineering and systems, I think we are extremely fortunate to have people like Tom Faught who are willing to undertake what is, certainly for those of us who are not technically trained, a daunting job.

Some of the systems he will be overseeing include the SSN-21 submarine weapons systems, the F-18 improvements, and the development of the Osprey aircraft for the Marine Corps. I am totally confident that Tom Faught will do an outstanding job for this country and for the Department of the Navy.

And so it is a great pleasure, Mr. Chairman and Senator Warner, to give this nomination my full and personal support.

Senator LEVIN. Senator Heinz, thank you very much. Needless to say, your recommendation is considered very highly by all of us on this committee, and we are delighted that you took the time to come and introduce Mr. Faught.

Senator HEINZ. Mr. Chairman, I thank you. Unless you have some questions of me, I would ask permission to return to duty.

[The prepared statement of Senator Heinz follows:]

PREPARED STATEMENT OF SENATOR JOHN HEINZ

Mr. Chairman, I appreciate the opportunity to testify on behalf of Tom Faught for the position of Assistant Secretary of the Navy for Research, Engineering and Systems. Tom's career has been characterized by excellence and achievement and I am sure that his service as Assistant Secretary will match his great contributions in the private sector.

Tom began his service to our country in the Marine Corps, where he served both as an enlisted man and an officer. He is a graduate of Oregon State College with a BS degree in Technology and Business, and earned an MBA from the Harvard Business School.

Tom has broad experience in the private sector. He has been an engineer, manufacturing manager, international management consultant, and has held senior executive positions in some of America's best-known corporations. He has served as Executive Vice President of the F&M Schaefer Co., and over the course of his long, distinguished career he has worked with Gould, Inc.; Booz, Allen & Hamilton; and the Ford Motor Co.

Most recently, Tom has held a number of senior executive positions in the Dravo Corp. of Pittsburgh, including serving as Chief Executive Officer since 1983. In Pittsburgh, he has been active in both business and civic affairs. Tom's professional achievement has been recognized by the business community. In 1986, two leading business publications named him the outstanding engineering and construction industry CEO.

In his capacity as Assistant Secretary, Tom's responsibilities will be to manage the Navy's \$10 billion research, development and engineering budget. This task will include oversight and planning for some of the Navy's most important and complex programs, such as the SSN-21 submarine weapons systems, improvements to the F-18 fighter, and development of the V-22 Osprey aircraft for the Marine Corps.

It is important to note that Tom will be the only Navy Assistant Secretary who has been a Chief Executive Officer for a major corporation. His background as CEO of a major manufacturing corporation, along with his broad private sector experience are invaluable assets that he brings to this important job. I am confident that he will draw on this experience to ensure that the Navy uses its research and development dollars to maximum effect.

Mr. Chairman, Tom Faught's professional background makes him an outstanding candidate for this position with Navy. I urge the committee to give his nomination its full support.

Senator LEVIN. We all understand that.

Senator WARNER. We understand that. And again I think that this nominee should take great pride in having the senior Senator from the Commonwealth of Pennsylvania join us this morning for the purpose of introduction.

I can tell from the contents you have prepared very carefully for it and you speak from the heart. And with a certain measure of determination.

Senator LEVIN. Senator Thurmond.

Senator THURMOND. I just want to congratulate the nominee. He has a fine record, and I feel sure he will do a great job and I am very pleased to support him.

I also want to congratulate him for having Senator Heinz come here in person. Senator Heinz is held in high respect in the Senate, and his recommendation is taken very greatly.

Senator HEINZ. Mr. Chairman, I know Tom is accompanied by his family, and I am sure he is very proud of them and would like to introduce his wife.

Senator LEVIN. Would you like to introduce your family?

Mr. FAUGHT. Yes. My family consists of only one member present today. We have a 3-year old and a 1-year old. And my wife thought they would steal the show. So I would like to introduce my wife Lynda.

OPENING STATEMENT BY SENATOR CARL LEVIN

Senator LEVIN. Thank you again, Senator Heinz. Before you make a statement, let me just quickly read my own statement.

The committee meets today to consider the nomination of Thomas F. Faught, Jr., to be the Assistant Secretary of the Navy for Research, Engineering and Systems.

Mr. Faught has been nominated for this position from the private sector where he has been most recently serving as the president and chief executive officer of the Dravo Corporation.

Mr. Faught comes to this position with a rich background in industry, which includes research and development, organization, planning and engineering, and manufacturing management. This background is going to serve you well in your new position as Assistant Secretary.

Mr. Faught, you have come to this position at a critical time. There are those who would contend that the next year will be characterized as a caretaking year until a new administration assumes office.

We on this committee do not agree with that assessment. This next year is crucial to the long-term success of our acquisition system, and therefore to the success of the succeeding administration in managing the system, which has seen some troubles.

The budget summit and Secretary Carlucci's recent budget guidance have made it very clear that the growth in the defense budget of recent years is gone. For those who serve in responsible positions in the Pentagon, as well as for those of us in the Congress, the belt-tightening ahead means that we must get more defense capability for every dollar that we spend.

Technology is going to be needed in achieving this goal. And this technology must be directed in such a way that we make obsolete our adversary's strength and that we take advantage of his weakness.

These are all areas in which the Assistant Secretary of the Navy for Research, Engineering and Systems is going to play an active role. You come to this position at a particularly critical time, when tough decisions need to be made within the Navy, and an investment strategy in future weapons systems needs to be developed.

It means that you will have to make some unpopular decisions at times with respect to the wishes of the uniformed Navy, probably with respect to some of the Members here on the Hill.

It will take a lot of nerve at times. But the sailors and the Marines of the future are dependent upon your judgment to provide them with all that this country possibly can provide them, including the best equipment and weapons systems.

The Assistant Secretary of the Navy for Research, Engineering and Systems will have to ensure that he takes into account the so-called bow wave of future spending as he make decisions on Navy programs.

We cannot afford to start numerous new programs without considering their long-time budgetary impact. This is one of the major problems confronting us today. We have more programs underway than we can afford.

We simply cannot afford in the future to have this major disconnect between programs and the amount of money available in the budget to pay for them. The Assistant Secretary is key to enforcing discipline on the system to prevent this from happening. You are at the front end of that system.

Mr. Faught, we all welcome you here today. We look forward to your statement. I appreciate very much Senator Warner opening up, and I am sorry that I was a little bit late.

Senator Warner, I do not know whether you had a chance to make an opening statement, if not—

Senator WARNER. No, I am just joining in your statement, Mr. Chairman. I have had the privilege of interviewing the nominee.

It appears to me, of course, he is eminently qualified for the position. The President and the country are fortunate that he is willing to give of himself to this position.

You approached it, of course, unmindful as most coming from the private sector of the complexity of being able to assume the position and not put yourself in a position of conflict of interest because of your past business and professional associations and because of your financial arrangements.

It is my understanding that you have spent a considerable time with the counsel for the Department of Defense, the counsel for this committee, majority and minority. Shortly, Mr. Chairman, I think we ought to have the counsel for the committee speak directly into the record because there are complexities in this case which are quite unusual.

But it is my understanding that the nominee has bent over backward, to use a phrase, to meet the criteria of the Department of Defense and the rather stringent criteria, and quite properly so, established by this committee.

At the appropriate time in this hearing, I am sure the chairman will go into those details.

Senator LEVIN. Thank you for mentioning that. Senator Warner is correct that the nominee has done what is necessary to meet the conflict of interests requirements.

It is complicated. We appreciate your willingness to take this position despite that complexity. We will go into executive session, which is our traditional way of handling this, if it involves a lot of personal financial matters.

It is administrative detail. There is nothing there which requires any secrecy. It is just a traditional way of protecting both privacy and the country at the same time. We will take care of that administrative detail in the executive session at the end of this hearing. Senator Thurmond.

Senator THURMOND. I will be back at 10:45 to vote for him. I have followed his career. He has a very fine record. He has mar-

ried a nice young woman, so I am sure he is a man of fine judgment.

Senator WARNER. Senator Thurmond, do you want the record to reflect how many children you have now?

Senator THURMOND. I have four. How many have you?

Mr. FAUGHT. I have quite a few.

Senator LEVIN. We will take care of that in executive session too. [The nomination reference of Thomas F. Faught, Jr. follows:]

NOMINATION REFERENCE

AS IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
December 4, 1987.

Ordered, that the following nomination be referred to the Committee on Armed Services:

Thomas F. Faught, Jr., of Pennsylvania, to be an Assistant Secretary of the Navy, vice Melvyn R. Paisley, resigned.

[The biographical sketch of Thomas F. Faught, Jr., which was transmitted to the committee at the time the nomination was referred follows:]

BIOGRAPHICAL SKETCH OF THOMAS F. FAUGHT, JR.

Thomas F. Faught, Jr., is the Assistant Secretary of the Navy (designate) for Research, Engineering and Systems. In this capacity he is responsible for an annual budget of ten billion dollars for planning and directing research, development, engineering, testing and evaluation for the Navy and Marine Corps.

Prior to his Presidential appointment as Assistant Secretary, Mr. Faught was President and Chief Executive Officer of Dravo Corporation, a one billion dollar, NYSE company. Dravo is engaged in project management, engineering, factory automation, construction, national resource development and materials handling systems manufacturing. Before becoming Dravo's CEO in 1983, he served the company as President and Chief Operating Officer, Chief Administrative Officer and Chief Financial Officer as well as being a member of the Board of Directors.

Prior to joining Dravo in 1974, Mr. Faught's industrial career included the F & M Schaefer Corporation, as Executive Vice President, Gould, Inc., Booz, Allen & Hamilton, an international management consulting firm for which he worked and lived abroad for 10 years, and the Ford Motor Company, where he was an engineer and manufacturing manager.

In 1986 Financial World named Faught as the nation's outstanding engineering and construction industry Chief Executive Officer. He also received the same recognition with the Wall Street Transcript's Silver Award that year.

Mr. Faught's background includes project management and finance, technology transfer, factory automation systems development, program planning and control development, manufacturing facility evaluation, research and development organization planning and the planning and oversight of counter-trade transactions.

He was born in Salem, Oregon, and is a graduate of Oregon State College where he received a BS degree in Technology & Business, concentrating in industrial management, personnel and industrial analysis. He also holds an MBA degree from Harvard University and additional graduate work at The Massachusetts Institute of Technology concerning the industrial applications of nuclear energy.

Mr. Faught has been active in public service as a member of the Board of Trustees, Carnegie Mellon University and the Presbyterian University Hospital, both of Pittsburgh. He has also served as Chairman of the Technical Research Committee, Carnegie Mellon. Mr. Faught was appointed by the President to the Advisory Committee of the Export-Import Bank in 1985 and to the chairmanship in 1985. He was also appointed to the President's Task Force on International Private Enterprise in 1983.

Mr. Faught served in the United States Marine Corps both as an enlisted man and as an officer. He is married to the former Lynda Clancy and they have two sons, ages 3 and 1 years. He also has four children, two sons and two daughters, by a previous marriage.

[The Committee on Armed Services requires all individuals nominated from civilian life by the President to positions requiring the advice and consent of the Senate, and certain senior military officers as determined by the committee, to complete a form that details the biographical, financial and other information of the nominee. The form executed by Mr. Faught in connection with his nomination follows:]

UNITED STATES SENATE COMMITTEE ON ARMED SERVICES

Room SR-222

Washington, DC 20510-6050

(202) 224-3871

COMMITTEE ON ARMED SERVICES FORM

BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF
NOMINEES

INSTRUCTIONS TO THE NOMINEE: Complete all requested information. If more space is needed, use an additional sheet and cite the part of the form and the question number (i.e. A-9, B-4) to which the continuation of your answer applies.

PART A—BIOGRAPHICAL INFORMATION

INSTRUCTIONS TO THE NOMINEE: Biographical information furnished in this part of the form will be made available in committee offices for public inspection prior to the hearing and will also be published in any hearing record as well as made available to the public.

1. NAME: (Include any former names used.)

Thomas Flynn Faught, Jr., Tom.

2. Position to which nominated:

Assistant Secretary of the Navy for Research, Engineering and Systems.

3. Date of nomination:

December 4, 1987.

4. Address: (List current place of residence and office addresses.)

Home: [Nominee responded and the information is contained in the committee's executive files.]

Office: 4E741, The Pentagon, Washington, DC 20350-1000 (Presently, a consultant to the Navy.)

5. Date and place of birth:

October 1, 1928 Salem, Oregon.

6. Marital Status: (Include maiden name of wife or husband's name.)

Lynda Sue (Clancy) Faught (wife).

7. Names and ages of children:

Christopher Preston Faught, November 17, 1986, 1; Ryan William Flynn Faught, August 31, 1984, 3; Mitchell Thomas Faught, July 25, 1961, 26; Michael Flynn Faught, April 16, 1957, 30; Kimberlee Jo Faught, March 17, 1954, 33; Kellee Shannon Faught, January 11, 1950, 37.

8. Education: List secondary and higher education institutions, dates attended, degree received and date degree granted.

Harvard University, 1951 to 1953, MBA, 1953.

Graduate School of Business Administration, Massachusetts Institute of Technology, 1952 to 1953. Seminar, no degree.

Oregon State University, 1947 to 1951, BS, 1951.

Salem Senior High School, 1942 to 1946, Diploma, 1946.

9. Employment record: List all jobs held since college or in the last 10 years, whichever is less, including the title or description of job, name of employer, location of work, and dates of employment.

President and Chief Executive Officer, Director; Acting Chairman, Dravo Corporation, One Oliver Plaza, Pittsburgh, PA 15222, July 1974 to January 1987.

10. Government experience: List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above.

Vice Chairman, President's Task Force on International Free Enterprise, 1983/84.
Chairman of the Advisory Board, Export/Import Bank of the United States, 1986/87.

11. Business relationships: List all positions currently held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, education or other institution.

Liberty Mutual Insurance, Director Advisory Board.
Kiowa Associates, Limited Partnership.
Shoshoni Associates, Limited Partnership.
Continental Oil and Gas, Limited Partnership.
Eagle II Oil and Gas, Limited Partnership.
Channel Bell Associates, Limited Partnership.
Riverdale Center Associates, Limited Partnership.
Carnegie Mellon University, Board of Trustees, Vice Chairman of Research.
12. Memberships: List all memberships and offices currently held in professional, fraternal, scholarly, civic, business, charitable and other organizations.
Rolling Rock Club (Social), Member.
Pittsburgh Athletic Association (Social), Member.
Laurel Valley Golf Club (Social), Member.
The Links (Social), Member.
Duquesne Club (Social), Member.
Harvard Club of New York (Social), Member.
Allegheny Trails Boy Scouts Council, Board of Trustees.
Phi Delta Theta Fraternity, Member.
WQED Public Broadcasting, Member Board of Directors.
Presbyterian University Hospital, Member Board of Trustees.
White Elephant Club (Social), Member.
Export/Import Bank of the United States, Chairman and Member of the Advisory Board.

13. Political affiliations and activities:

(a) List all offices with a political party which you have held or any public office for which you have been a candidate.

None.

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 5 years.

None.

(c) Itemize all political contributions to any individual campaign organization, political party, political action committee, or similar entity of \$100 or more for the past 5 years.

Schedule contribution by payroll deduction to the Dravo Corporation Political Action Committee. 1982—\$1416.00; 1983—\$1768.00; 1984 through 1986—\$1800.00 per year.

14. Honors and awards: List all scholarships, fellowships, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements.

Acknowledged as Nation's outstanding CEO in the Engineering and Construction business for 1986 by Financial World magazine; Silver Award for same recognition by the Wall Street Transcript.

Northwest Regional Scholarship to Harvard University, Graduate School of Business Administration. September 1951 to June 1953.

15. Published writings: List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.

"Future of Personal Transportation," Harvard University Press, 1953 Co-Author, Book.

16. Speeches: Provide the committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated.

None.

17. Selection:

(a) Do you know why you were chosen for this nomination by the President?

Based on the recommendation by the Secretary of the Navy and supported by the former Secretary of the Defense Weinberger.

(b) What do you believe in your background or employment experience affirmatively qualifies you for this particular appointment?

I believe that my unique background in the private business sector for over thirty years qualifies me to serve successfully as Assistant Secretary of the Navy for Research, Engineering and Systems. I have considerable management expertise in research and development. I was the Chief Executive Officer of a billion dollar construction, engineering and technology company. These experiences give me the prerequisites to meet the responsibilities of this position.

18. **Commitment to Testify Before Senate Committees:** Do you agree, if confirmed, to respond to requests to appear and testify before any duly constituted committee of the Senate?

Yes.

COMMITTEE ON ARMED SERVICES FORM

FINANCIAL AND OTHER INFORMATION REQUESTED OF NOMINEES

INSTRUCTIONS TO THE NOMINEE: Information furnished in Parts B through F will be retained in the committee's executive files and will not be made available to the public unless specifically directed by the committee.

NAME: Thomas Flynn Faught, Jr.

PART B—FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all business connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Has anybody made a commitment to employ your services in any capacity after you leave government service?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Is your spouse employed and, if so, where?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. If confirmed, do you expect to serve out your full term or until the Presidential election, whichever is applicable?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART C—POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients or customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.)

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Do you agree to provide to the committee any written opinions provided by the General Counsel of the agency to which you are nominated and by the Attorney General's office concerning potential conflicts of interest or any legal impediments to your serving in this position?

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART D—LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Have you ever been investigated, arrested, charged or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county or municipal law, regulation or ordinance, other than a minor traffic offense? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. Have you or any business of which you are or were an officer ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you ever been convicted (including a plea of guilty or nolo contendere) of any criminal violation other than a minor traffic offense?

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Please advise the committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART E—FOREIGN AFFILIATIONS

1. Have you or your spouse ever represented in any capacity (e.g., employee, attorney, business, or political adviser or consultant), with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. If you or your spouse has ever been formally associated with a law, accounting, public relations firm or other service organization, have any of you or your spouse's associates represented, in any capacity, with or without compensation, a foreign government or an entity controlled by a foreign government? If so, please fully describe such relationship.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. During the past ten years have you or your spouse received any compensation from, or been involved in any financial or business transactions with, a foreign government or an entity controlled by a foreign government? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you or your spouse ever registered under the Foreign Agents Registration Act? If so, please furnish details.

[Note: Nominee responded and the information is contained in the committee's executive files.]

PART F—FINANCIAL DATA

All information requested under this heading must be provided for yourself, your spouse, and your dependents.

1. Describe the terms of any beneficial trust or blind trust of which you, your spouse, or your dependents may be a beneficiary. In the case of a blind trust, provide the name of the trustee(s) and a copy of the trust agreement.

[Note: Nominee responded and the information is contained in the committee's executive files.]

2. Provide a description of any fiduciary responsibility or power of attorney which you hold for or on behalf of any other person.

[Note: Nominee responded and the information is contained in the committee's executive files.]

3. List sources, amounts and dates of all anticipated receipts from deferred income arrangements, stock options, executory contracts and other future benefits which you expect to derive from current or previous business relationships, professional services and firm memberships, employees, clients and customers.

[Note: Nominee responded and the information is contained in the committee's executive files.]

4. Have you filed a Federal income tax return for each of the past 10 years? If not, please explain.

[Note: Nominee responded and the information is contained in the committee's executive files.]

5. Have your taxes always been paid on time?

[Note: Nominee responded and the information is contained in the committee's executive files.]

6. Were all your taxes, Federal, State, and local, current (filed and paid) as of the date of your nomination?

[Note: Nominee responded and the information is contained in the committee's executive files.]

7. Has the Internal Revenue Service ever audited your Federal tax return? If so, what resulted from the audit?

[Note: Nominee responded and the information is contained in the committee's executive files.]

8. Have any tax liens, either Federal, State, or local, been filed against you or against any real property or personal property which you own either individually, jointly, or in partnership?

[Note: Nominee responded and the information is contained in the committee's executive files.]

(The committee may require that copies of your Federal income tax returns be provided to the committee. These documents will be made available only to Senators and the staff designated by the chairman. They will not be available for public inspection.)

SIGNATURE AND DATE

I hereby state that I have read and signed the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

This 8th day of December, 1987.

THOMAS F. FAUGHT, Jr.

Senator LEVIN. Mr. Faught, it is your turn. Would you like to make an opening statement?

**STATEMENT OF THOMAS F. FAUGHT, JR., OF PENNSYLVANIA,
NOMINEE TO BE ASSISTANT SECRETARY OF THE NAVY FOR
RESEARCH, ENGINEERING AND SYSTEMS**

Mr. FAUGHT. Thank you, Mr. Chairman. As you mentioned, I have submitted a statement for the record. But I would like to read it, if I may.

I am privileged to meet with this committee in seeking confirmation for the position of Assistant Secretary of the Navy for Research, Engineering and Systems. I am greatly honored to have been nominated by the President as our Nation's 32d executive responsible for this vital function within our Department of the Navy.

As you mentioned, after a period of significant expansion of our naval forces, we now enter a very different environment. Concerns about the Nation's deficit position and the amount of the defense budget will result in fewer funds being available for defense purposes, including Navy RDT&E.

Continuing regional conflicts around the world would require greater flexibility in our weapons systems than in the past, so that we may effectively counter such limited disturbances as well as continue to meet the needs of a potential global war.

Equally important is the fact that the Soviets are rapidly closing the technological gap in military systems. A gap which for decades has provided us a significant defensive edge.

Also of great concern is the erosion of the U.S. industrial technology base which, if left unchecked, could adversely affect our future security.

Some environmental elements, however, remain unchanged. The threat to our Nation's peace and security, in my opinion, remains no less serious today than at any time in recent decades.

While Soviet leadership currently indicates a somewhat less aggressive tendency through their pronouncements of openness, which we hope can be believed, continuing Soviet actions throughout the world speak more loudly, unfortunately, than do their words. Until these actions change, we cannot prudently lessen our commitment to preparedness and military readiness.

Other elements which remain unchanged are the fact that increasingly complex weapons systems continue to cost more. And the excessive time required to bring major fighting equipment to operational status continues to adversely affect both our costs and our readiness.

Changing environments require a change in outlook. Recently, I have had the opportunity to visit eight of our naval laboratories, witness Marine Corps exercises, review RDT&E acquisition and fiscal procedures, receive briefings on several matters of our major systems programs, and have benefited from the counsel of Navy and Marine Corps leaders, as well as having the opportunity to speak with RDT&E executives in both our Army and Air Force departments.

I also have been exposed to a general understanding of the Soviet approach to developing weapons requirements and their organization concerning military research and development, and how they transition such systems into production.

I have studied, Mr. Chairman, with particular interest the statements and related writings of Secretary Weinberger, Secretary Carlucci and Secretary Webb on principal issues which influence our approach and funding of the Navy's tactical and strategic R&D efforts.

Should I be confirmed to this position, I will concentrate on implementing the RDT&E elements of the defense procurement policy, the Carlucci initiatives, and the Packard Commission recommendations.

In implementing these policies, initiatives, and recommendations, I believe a significant contribution can be made to shortening the development cycle from the commencement of R&D to the start of production.

I also would plan to review the number and nature of the programs being pursued in RDT&E to ensure we are not stretched too thinly to effectively carry out these programs.

An important consideration in carrying out RDT&E programs is to be certain that we do not reach too far into leading edges of technology in the initial production configuration of our work.

I refer you again to the Carlucci initiatives. If system improvements are anticipated and well planned to take advantage of the more advanced technological capabilities, their implementation can be effectively programmed from time to time as future needs evolve.

In any event, we should be able to expedite the development and production of weapons systems at lower risk and costs and assure improved quality and reliability.

Also, even in the face of limited financial resources, I am convinced that there is a critical need for a well-balanced program of fundamental research and exploratory development to maintain our technological superiority in areas vital to our Nation's interests.

I believe we must do a better job of screening, selecting, planning, executing, and transitioning basic research and exploratory projects; of coordinating these plans and efforts for the other services, other government agencies, and with our allies; and, of reducing the time and cutting the costs of translating new discoveries and new technologies into required systems for the Navy, for the Marine Corps, and for our other service departments.

The principal result of increased inter-service coordination, particularly in the early phase of our RDT&E effort, should be a reduction in the proliferation of similar, and in some cases, overlapping systems among our military services and those of our allies.

I believe that the Navy Department can more effectively apply the program approaches and control procedures developed in the industrial sector, where readiness and sustainability also are prime considerations.

I will, if confirmed, strive to more vigorously incorporate these approaches and procedures in the research and development phase of Navy and Marine Corps programs.

In closing, I believe my 33 years of industrial and manufacturing experience, much of which is related to R&D and major project management activities, permits me to bring to this office a capability to make practical improvements in our Navy's RDT&E situation.

I look forward to a close and productive relationship with this committee and to the opportunity to work with Secretary Jim Webb in the pursuit of a strong, national defense and an RDT&E program that assures the continued readiness of the United States naval forces.

Mr. Chairman, this concludes my formal statement.

Senator LEVIN. Thank you very much, Mr. Faught. Last year we adopted some legislation following the recommendations of the Packard Commission.

And that legislation envisioned a streamlined management structure for acquisition; among other things, it established the Office of the Under Secretary of Defense for Acquisition, to establish and direct the acquisition structure.

Could you describe for us your understanding of that legislation and the role that you would envision for yourself under it?

Mr. FAUGHT. I would be pleased to. In fact, early on, I think it was 1985, I had the opportunity to participate in a formative agenda construction of the Packard Report, as it related primarily to factory automation and some other things that we were looking for to reduce costs.

I think the Packard Commission Report is outstanding in its recommendations. The thing that concerns me is the recommendations that have been presented so well in the Packard Commission Report are in many cases not dissimilar to those that then Deputy Secretary Carlucci and others in the past also have brought forward.

I think the more efficient organization and the elimination of echelons of management structure, which so clearly were spelled out in the Packard Commission statement and recommendations, which of course led from their findings and which I think were well-documented, is certainly a step in the right direction. And, I believe that the Navy Department is well on its way to implementing those.

Senator LEVIN. We have a bow wave problem in our defense acquisition relative to future budgetary needs for systems that we are just beginning today.

I am just wondering whether you have any recommendations for changing the system to make sure that we can afford to pay for what we begin.

Mr. FAUGHT. Well, I think, perhaps largely because of the work of this committee and the Congress, the various service departments, including the Navy, and because I think Secretary Carlucci has indicated, I will not say the first time but in recent times, the necessity for programs instead of having a stretch-out which evolves into a bow wave tactic, if you will, that we will cut some programs.

I am aware that because of the, frankly because of sound management and because of the deficit situation, the Navy is doing so

next fiscal year. I think it takes a little time to get up to speed. But I believe that is the right direction.

I think also that as we work more closely among the three major services, not excluding the Marine Corps but incorporating it into the Navy, that reduction of some of the duplication of the systems, which is not directly or necessarily relating to the bow wave but it is also an important element of cost and efficiency, will be an improvement as well.

I come from a sector which has had some bad times. And so, I realize the importance of cost reduction.

Senator LEVIN. Talking about bad times in the private sector, the Navy has been in the forefront of changing some of the contracting practices relative to defense industries.

An example is the question of who pays for special tooling costs? What is your view of the approach of the Navy, and in some cases DOD as a whole, to transferring risk and cost to the private defense industry?

Mr. FAUGHT. That is a very complex issue, as you know, Mr. Chairman.

I think the philosophy that supports that approach of having the Navy or the government underwrite the investment in tooling in some of our major projects has merit, providing the underlying plan is implemented. And I think that is where we are having a little bit of a conundrum.

We will forecast a life cycle and quantity cycle of a given program and, therefore, come forward with the analysis of the tooling required to complete that program.

But, because of the vicissitudes that occur over the span of the lifecycle of that contract, or, not the contract but of the system itself, we find so many variables or frequencies, if you will, that it ends up costing quite a bit of money.

I would like to reserve further comment on that until I have an opportunity to look at it more deeply. But that is an initial impression based on the tentative information or observations I have to date.

Senator LEVIN. You mentioned the defense industrial base, or the industrial base in your opening comments.

A number of witnesses have testified about concerns relative to the defense industrial base. What are your thoughts about it? Do you think it is eroding, as a number of us are worried about? What might we do about it?

Mr. FAUGHT. Well, the answer to your first question is, frankly, yes. I think it is eroding.

I think it is eroding in the private sector. And, unfortunately, in an area I think we can control more readily in the Navy.

I am a firm believer in what is called, for the jargon purposes of trade around here, 6.1 and 6.2 type of research. Without 6.1 and 6.2 a healthy 6.1 and 6.2 program—the Navy, which has been historically at the forefront of technological development and innovation, would not have been as successful as it has been in the past.

I think we can look back and attribute the development, at least the rapid development of sonar, to our basic and applied research. There are also elements today in the radar sectors relating to our

Aegis system, which is probably the best in the world, attributable to 6.1 and 6.2.

And, as you look at the records of what has happened, what is happening, both in absolute and relative terms to 6.1 and 6.2 programs in terms of funding at least, they are not being supported as well as some of the other areas.

Now maybe in the last few years there have been some good reasons for that. But I do feel that we should refocus and clearly take a look at those programs and see what selectivity could be made for the good of the future, because it is very difficult to project how long it is going to take before, in some cases never, those funds can be translated into effective weapons.

And that leads to the second part of your question, the industrial sector, in which I have been for a number of years.

We in industry have unfortunately been marching to the drummer of what kind of quota performance do we have this year and what kind of annual performance did we have last year?

And as soon as there are any hurdles to growth, things that fall by the wayside or are easily cut are research and development, advertising, et cetera. And it has become a race for earnings which, I guess, Wall Street has called the tune to as much as anything.

How to remedy that is one of the areas I would like to spend a great deal of my efforts on this coming 10- to 12-month period.

Some time ago and I am not—I guess the Navy talks about pay grade and I do not mean to violate my pay grade here—but several years ago, I and others from industry visited Washington when we were talking about the tax policy of the country.

I proposed at that time that, if we were going to continue to have accelerated depreciation in the tax benefits for industry, that we ought to, as a government, require all or a significant portion of those tax benefits to be recycled by industry into R&D and new plants and equipment.

That would have been a problem to control. But the government manages to control many other things. I am certain they could control that too. That might be one remedy that we should look to.

I am not too sure that other incentives that have been discussed, subsidies and other things, would be very effective.

Senator LEVIN. Thank you very much. Senator McCain.

Senator MCCAIN. Thank you, Mr. Chairman. Thank you for your fine statement. And from what I can tell you are certainly well-qualified for this position, and I congratulate you on your selection.

In your statement you say, I will concentrate on implementing the RDT&E elements of the defense procurement policy, the Carlucci initiatives, and the Packard Commission recommendations.

What do you feel are the most important of the Packard Commission recommendations?

Mr. FAUGHT. You mean setting aside the Joint Chiefs of Staff and the military reorganization?

Senator MCCAIN. Yes.

Mr. FAUGHT. Senator, I think it is difficult to focus on one because there are so many important ones.

I think one of the most important recommendations also bridges back to 1981 and the Carlucci initiatives. And that reflects on how we incorporate leading technologies, in some cases perhaps not to-

tally proven technologies, into weapons systems. And this relates to a constant churning and testing and exploration effort to get the system underway.

Sometimes that stretches some of these efforts into a decade or more before we can have a system in the field. By that time there are some questions in many people's opinion as to whether or not that system is antiquated or is obsolete by the time it gets to the field.

I think that is certainly one of the most important things, in not only the Packard Commission but also in the Carlucci initiatives, which reflect directly on what we can possibly do in research and development.

The other is as the chairman mentioned, another I should say, is the organization for acquisition activities. I was particularly keen on the Packard Commission's recommendations to reduce the echelons of management between what I would call the project management group, I think the government calls them program managements, and the service acquisition executive.

As I mentioned earlier, that is one of the things the Navy is in the process of implementing. Because these programs are so large and important that, if they get buried down in the boiler some place, they are not going to get the attention that is required in a timely fashion to correct the problem.

I do not mean to say there are not other important recommendations. But those are the two that I found most important.

Senator McCAIN. On the subject of the length of the procurement cycle, and I could not agree with you more, we extend more and more of the length of time from drawing board to operational installation of whatever system it is, have you seen an improvement in the last couple or 3 years in your research for doing the job and shortening this procurement cycle?

Mr. FAUGHT. Well, I have seen it in industry. I am not that familiar yet with what has happened in terms of what was expected to occur timewise and what has occurred.

I know I am getting on a little thin ice here. But the F/A-18, I looked at that as an example of kind critical pathing or what has happened to that program from the inception.

Not from necessarily the definition of requirements, but from someone sitting down and saying, we need a weapons system to meet a certain need. And then, they develop the requirements, et cetera, and finally get the plane out on the deck.

If memory serves me correctly, from looking at the pert diagram, that required somewhere around 13 or 14 years. And by the time that system is halfway through that veil of tears, you are starting to make so many other changes that when the plane does get on the deck, hopefully off the deck, you have got another series of tests to overcome.

Now, I compare that with what I think occurred, and this is where I am perhaps on thin ice, which I think was called the XF-20. Of course, it did not win the competition. But, it was developed based on what I have been able to learn in a much shorter time.

Because I think in one case the company put its own money at risk and had to move very quickly to implement the program. That is always a very good incentive.

From what I have learned, and it has been very general as I have indicated in my statement here, the length of time it takes the Soviets to field a piece of major equipment, a major system, is not that different.

But when the system is fielded, when it is operational, it works pretty well. Because they have two steps, which are not totally dissimilar from what we do. But they seem to be, and this is stretching pretty far because frankly that is one country I have never visited yet, but they seem to have more discipline in freezing their development.

In other words as I have understood it, when the technology reaches a point where they think it is adequate, maybe it is not the leading technology in the world, but they think it is adequate to meet that need in as short a time as possible, so they freeze that. And then they go on and there is no further changes.

And that is not unlike our block approach, where there are no further changes until they reach their engineering and development stage. And again they freeze that for production.

And then eventually, maybe it is a year or two out, but they will come back and take another look at a programmed improvement cycle for that weapon.

Senator McCAIN. The only trouble with your comparison to the F-20, which is accurate, is that indeed it did not succeed.

And that sends the wrong message, obviously, to corporations that might contemplate following that example, because they suffered, as you know, enormous financial loss. But your comparison, I think, is very accurate.

The lesson is, perhaps the Pentagon should leave their hands off of the, whatever the weapons system is until it is fully developed. Maybe the argument ultimately would be to just give them a bunch of money and see what they can come up with.

The other aspect of it, though, is I think another comparison that you might find useful, is the A-4 aircraft, which took some 2½ years from design to operational implementation.

But I also would hesitate sometimes to compare too often with the Soviets, because on the one hand they are able to field, I think, four classes of submarines while we are still struggling with one.

And at the same time, they have not come up with, in the opinion of many, of the quality that we have been able to come up with, and they can afford publicity wise to have a submarine catch on fire and sink with a minimum of public hue and cry.

I can only imagine what would happen in the United States if we had a culpable incident as the one that took place not too long ago with that Soviet submarine that caught on fire.

At the same time I think it is very clear that you are going to have two major challenges. One is the area of reducing this inordinate length of time from design or concept to operational IOC.

The other is, of course, many agonizing decisions are going to have to be made at your level on weapons systems and programs. We are going to have to start killing some of these programs when the area of responsibility still rests with you, rather than making a few of them and then deciding that perhaps we ought to terminate the program.

And I would suggest that at no time in this decade have we been faced with such severe choices as you are going to have to make this year, next year, and the year after. So I wish you every success.

And from your credentials and what you have had to say today, I consider you highly qualified, and I would like to extend my congratulations and my condolences.

Mr. FAUGHT. Thank you. I will accept both.

Senator MCCAIN. Thank you, Mr. Chairman.

Sentor LEVIN. Thank you very much, Senator McCain. What we will do now is go to a brief executive session, take care of the administrative detail that I mentioned before, and then hopefully we will have a quorum so that we can vote out this nomination.

We expect the executive session will take us all of 5 minutes. Hold your breath and let's see if we can get enough people to get your nomination voted out. Thank you very much.

[Whereupon, at 10:45 a.m., the hearing was adjourned.]

[The nomination of Thomas F. Faught, Jr., was reported to the Senate by Senator Sam Nunn on December 18, 1987, with the recommendation that the nomination be confirmed. The nomination was confirmed by the Senate on December 19, 1987.]

